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INSURANCE FACTS

1983-84 Edition

- Property
- Liability
- Marine
- Surety

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PROPERTY/CASUALTY INSURANCE AT A GLANCE

The property/casualty insurance business early in 1983 comprised 3,444 individual companies which operate in a highly competitive environment. Although about 900 of those companies write most of the business, no single company or group has more than 9.2 percent of the market.

In 1982, property/casualty insurance companies employed some 478,400 persons, according to government statistics. An additional 744,200 persons were engaged in agency or brokerage operations and insurance service organizations on behalf of the insurance industry as a whole, including the property/casualty, life and accident and health segments.

Operating Results, Property/Casualty Insurers, 1980-1982
(000 omitted from dollar figures)

	1982	1981	1980	% Change 1981-82	% Change 1980-81
Assets	$231,692,713	$212,302,742	$197,660,794	+ 9.1	+ 7.4
Net Premiums Written	103,968,221	99,275,575	95,568,749	+ 4.7	+ 3.9
Premiums Earned	102,005,005	97,465,271	93,729,077	+ 10.5	+ 4.0
Losses & Adjustment Expenses Incurred	81,366,925	74,841,996	70,225,891	+ 8.7	+ 6.6
Loss & Loss Adjustment Ratio	79.77	76.79	74.92	+ 3.9	+ 2.5
Underwriting Expenses Incurred	29,045,197	27,158,150	25,306,970	+ 6.9	+ 7.3
Underwriting Expense Ratio	27.94	27.36	26.48	+ 2.1	+ 3.3
Combined Ratio (before Dividends to Policyholders)	107.70	104.14	101.40	+ 3.4	+ 2.7
Combined Ratio (after Dividends to Policyholders)	109.65	106.01	103.13	+ 3.4	+ 2.8
Statutory Underwriting Gain (Loss)	($8,303,039)	($4,463,888)	($1,712,423)	+ 86.0*	+ 160.7*
Dividends to Policyholders	1,986,827	1,823,748	1,621,545	+ 8.9	+ 12.5
Net Underwriting Gain (Loss)	($10,289,866)	($6,287,636)	($3,333,968)	+ 63.7**	+ 88.6**
Net Investment Income	14,906,655	13,248,495	11,063,492	+ 12.5	+ 19.7
Operating Earnings After Taxes	5,332,571	6,905,849	7,136,852	− 22.8	− 3.2
Policyholders' Surplus	60,394,591	53,804,789	52,196,381	+ 12.2	+ 3.1
Premium to Surplus Ratio	1.72 to 1	1.85 to 1	1.83 to 1		
Dividends to Stockholders	$ 2,735,173	$ 2,394,106	$ 2,233,660	+ 14.2	+ 7.2

**Statutory underwriting loss was 86 percent greater in 1982 than in 1981; 160.7 percent greater in 1981 than in 1980.*

***Net underwriting loss was 63.7 percent greater in 1982 than in 1981; 88.6 percent greater in 1981 than in 1980.*

Source: A.M. Best Company, Inc., Best's Aggregates & Averages.

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This yearbook is intended to provide some basic facts relating to the property and liability insurance business for editors, writers, speakers, teachers, students, insurance people and others.

Insurance Facts is published annually by the Insurance Information Institute, an educational, fact-finding and communications organization for the property and liability insurance business. The Institute is supported by more than 250 insurance companies, both stock and mutual, and also provides public relations services to other organizations in the fields of property, liability, fidelity, surety and marine insurance.

The cooperation of other insurance organizations, government agencies and commercial publishers of insurance data has helped to make this yearbook possible. We are particularly grateful to A.M. Best Company, Inc., for making available some of its compilations of insurance statistics; to the National Fire Protection Association for permitting us to publish certain of its copyrighted data concerning fire losses, to the National Safety Council for its cooperation in providing certain accident-related data, and to the Insurance Institute for Highway Safety and the Highway Loss Data Institute for their assistance in preparing automobile data.

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AN OVERVIEW OF INSURANCE

The business of insurance in the United States is divided into three broad categories: life insurance, health insurance and property and casualty insurance. Altogether it provides nearly 2 million jobs and has responsibility for assets which at the end of 1982 totaled approximately $820 billion. But its greatest significance in the American economy is as an absorber of personal and business risks.

The property and casualty segment of the insurance business is responsible for assets which at the close of 1982 totaled about $231.7 billion. It provides hundreds of forms of financial protection against virtually every known peril.

Data from U.S. government sources indicate that property and casualty insurance companies employed some 478,400 persons in 1982. Those and other sources estimate that another 744,200 persons were engaged in agency or brokerage operations and insurance service organizations, but do not distinguish between personnel employed in the life insurance or health insurance business and those with responsibilities in the property and casualty field.

As of early 1983, there were nearly 5,500 insurance companies based in the United States and operating under the supervision of regulatory authorities in the various states. Some of these companies sell all lines of insurance; many specialize in one or more fields. Some 3,444 of those companies sell some form of property and casualty insurance, and related lines, including inland marine coverages and surety and fidelity bonds. A vast majority of the business is written by about 900 companies that operate in all or most states.

The property and casualty insurance business plays a major role in keeping the American economy moving. Insurance coverages backstop the extensive commercial and consumer credit system of the nation. Further, surety bonds are required on almost all public works and commercial construction, to protect against loss in the event the contractor fails to fulfill his or her obligations.

In large part because of insurance coverage, Americans—business owners and employees, home owners, and car owners—have more financial protection and a greater sense of security than any people anywhere have ever enjoyed in the history of the world.

PROPERTY/CASUALTY INSURANCE IN 1982-1983: A REVIEW

The property/casualty insurance business faced pressures from many sides in 1982 and the first half of 1983.

A trend toward integration of insurance with other financial services saw major insurers function increasingly as parts of financial complexes which also included banks, investment and securities dealers, credit organizations, money management firms and even real estate operations. One state enacted, and other states were considering, laws allowing banks to engage in the insurance business. Some large bank holding companies have acquired state banks for that purpose. At the same time, some insurers acquired banks in order to engage in non-depository banking functions. A banking deregulation bill introduced in Congress would allow banks to engage in insurance as well as in other non-banking activities. The result of such developments was to heighten competition in the already highly competitive insurance industry.

Pressures on the industry's resources also developed with the advent of huge potential liabilities for occupational diseases, particularly asbestosis. Claims pending for asbestos-related disease numbered in the tens of thousands, with ultimate foreseeable insurance payments expected to run to billions of dollars.

As a result of already existing competition in rates and benefits, the property/casualty insurance business suffered a record underwriting loss of more than $10.29 billion in 1982, exceeding the previous record loss of almost $6.29 billion in 1981. The underwriting loss represented 10.09 percent of earned premiums of $102 billion. This means that for every $100 the industry earned in premiums during 1982, it incurred $110.09 in losses and expenses. In 1981, a net underwriting loss of $6.29 billion represented 6.45 percent of earned premiums.

Written premiums of $103.97 billion in 1982 represented an increase of 4.7 percent over 1981, a level well below the overall 1982 inflation rate. The result is seen to be indicative of a downward pressure on premium levels due to intensive competition in the insurance marketplace.

Investment income permits insurers to continue their insurance operations despite the underwriting deficit, but the gap between investment income and underwriting losses is narrowing. Investment income reached a record high of $14.91 billion in 1982 — nearly one-and-one-half times the underwriting loss — but investment income in 1981 was more than twice the underwriting loss.

Industry pre-tax earnings for 1982 included net investment income of $14.91 billion, less statutory underwriting losses of $8.3 billion and $1.99 billion returned to policyholders as dividends. After-tax earnings of $5.33 billion were 22.8 percent lower than the 1981 earnings of $6.9 billion.

Policyholders' surplus, a gauge of the industry's financial strength, rose 12.2 percent in 1982 to more than $60.39 billion.

Impact of Inflation

Although inflation moderated in 1982, it continued to be a problem, especially for the insurance industry. Costs of services and materials for which auto insurance pays — such as auto repairs and medical care — increased at a greater rate than the consumer price index for all items.

The U.S. Department of Labor's Consumer Price Index recorded an average increase of 6.1 percent in the overall cost of living. Auto insurance premiums rose 6.4 percent, but still remained below the overall consumer price index. Property insurance premiums, which take into account rising home values as well as changes in personal property insurance rates, went up 4.1 percent.

CPI increases in costs of goods and services related to auto insurance claims included; auto maintenance and repair, 7.6 percent; medical care, 11.6 percent; physicians' services, 9.4 percent, and hospital rooms, 15.7 percent.

Costs for housing maintenance and repairs increased 6.3 percent.

Major Sources of Losses

Every year, crime, accidents, fires and catastrophes are major sources of losses for the property/casualty insurance business. In 1982:

- Economic losses from motor vehicle accidents amounted to an estimated $60.2 billion.
- Dollar losses from robbery, burglary, larceny and motor vehicle theft were estimated at more than $9.4 billion, down about 2.5 percent from 1981.
- Property losses from fires totaled some $5.9 billion, a new record. Losses in 1981 were $5.6 billion.
- Insured losses from 33 catastrophes -- major storms and other incidents causing losses in excess of $5 million — totaled more than $1.5 billion.

Congressional Actions

Most of the insurance-related legislation in the 98th Congress was carried over from previous Congresses, as the legislators debated but failed to act on holdover proposals to provide victim compensation through mandatory insurance of hazardous substances, require "unisex" insurance rates, deregulate financial services, create a federal fund to compensate victims of occupational disease, reform the Longshoremen's and Harbor Workers' Compensation Act and create uniform federal standards for product liability suits.

In new developments, Congress began a review of the insurance industry's tax structure and committees requested the General Accounting Office and the Federal Trade Commission to undertake studies of the industry. Congress also held hearings but took no action on several bills to expand the scope of financial responsibility laws for handlers of hazardous substances.

Debates continued on the so-called "Fair Insurance Practices Act," carried over from previous sessions. Two bills (H.R.100 and S.372) that would outlaw the industry's use of gender-based actuarial tables received extensive hearings in both houses but were not reported out of committee.

The Senate Banking Committee held 13 oversight hearings, continuing an exploration of banking deregulation begun two Congresses earlier. But before the hearings ended, federal officials became concerned with a trend by banks to use loopholes in federal laws and permissive state laws to circumvent restrictions against banks engaging in commercial activities such as insurance. Legislation was introduced to provide a limited moratorium on banks' use of loopholes for this purpose. No action was taken on the measure, which was supported by the Federal Reserve Board and the insurance industry.

Congress also continued its efforts to deal with growing concerns over compensation to workers suffering from occupational diseases such as asbestosis. A bill was introduced which would provide federal compensation for diseases resulting from asbestos exposure. Under the bill, workers would be compensated from a pool funded by assessments on manufacturers and others who handle asbestos — excluding the federal government.

The Longshoremen's and Harbor Workers' Compensation Act, intended to cover maritime workers not eligible for state benefits, defied reform efforts as it has in the last several Congresses.

Hearings were held on reintroduced legislation (S.44) to reform the nation's patchwork product liability laws by providing uniform standards for product liability suits. The bill, similar to a version reported out of the Senate Commerce Committee in the last Congress, would require a party injured by a product to prove negligence in suits alleging faulty design, or failure to warn or instruct adequately. The bill also would require an injured worker to pursue a workers' compensation remedy before suing, and would deduct any compensation from a subsequent court award.

Arson

The property/casualty insurance industry provides leadership in the nation's fight against arson. One major objective, to make arson a permanent Part I crime on the FBI's Uniform Crime Reports, and thus to assure the accumulation of better data, was accomplished with the signing of the Anti-Arson Act in 1982.

Idaho, Nevada and the District of Columbia enacted arson reporting immunity laws, leaving only South Carolina without such a law. These laws make it possible for insurers and law enforcement officials to share information on possible arson cases by prohibiting defamation lawsuits.

The Property Insurance Loss Register (PILR), administered by the American Insurance Association, continues to be an important tool for arson investigators. Insurers representing 95 percent of the nation's fire insurance business have entered more than 500,000 fire loss histories into the PILR computer system, with the information available to other insurers investigating claims.

The industrywide National Committee on Property Insurance developed an Anti-Arson Action Plan being implemented by 28 Fair Plans, through which insurance companies provide coverage to high-risk properties. The plan stresses risk selection to eliminate suspected arson risks, thereby reducing both potential losses and incentives to arson.

Another project was the All-Industry Research Advisory Council's "Arson Incidence Claim Study." Based on an examination of more than 13,000 fire claims made in 12 states during 1980, the study represents an important step in quantifying the costs, incidence and underlying motives of the crime. Among the findings: Vandalism surpasses arson-for-profit as the most prevalent cause of arson fires, but arson fires with a fraud motive are the most costly.

Auto Theft

Legislation was introduced in both houses of Congress to bring interstate traffic in stolen vehicles under federal racketeering statutes, to dry up the illegal used-parts market by requiring manufacturers to number major car components, and to impose new controls on export trade in cars.

Several states enacted title laws and other anti-auto theft legislation which includes requirements for the licensing of salvage handlers and the numbering of automotive parts.

The Fight Against Drunk Driving

Despite fears that the current campaign against drunk driving might fade as other campaigns have in the past, grass-roots groups such as Mothers Against Drunk Drivers (MADD) and Remove Intoxicated Drivers (RID) have proven to be a new source of strength.

Another key development was a decision that the Presidential Commission on Drunk Driving will be succeeded by a 15-member leadership group to provide continuing national focus for action against drunk driving. The new organization, the National Commission Against Drunk Drivers, will operate through the National Safety Council. Its first chairman will be former Massachusetts Gov. John A. Volpe, who has served as chairman of the Presidential Commission since it was created in April 1982.

Public education efforts have been supplemented by the actions of a majority of the states to toughen not only the laws against drunk driving but enforcement of those laws.

The property/casualty insurance industry stepped up the pace of its public communications efforts in 1983 regarding drunk driving. Advertisements by the Insurance Information Institute took the message, "Do Something About Drunk Driving," to the nation's opinion leaders. Thousands of readers requested the publication, "Drunk Driving: A Killer We Can Stop," and pledged their support. The stage appears set for a long-term battle that for the first time holds a real promise for substantial and permanent reductions in drunk driving deaths and injuries.

Liability

Perhaps no issue will have as much of an impact on the tort litigation system as that of "toxic torts" — compensating those who are suffering slowly emerging injuries caused by exposure to hazardous substances such as asbestos. The burden of asbestos lawsuits prompted UNR Industries of Chicago and the Manville Corporation — the nation's largest asbestos manufacturer — to file for protection under federal bankruptcy laws in the summer of 1982. Some 16,000 lawsuits were reported pending against Manville, amounting to between $2 billion and $5 billion in potential liabilities. Several hundred other firms were facing similar claims, and according to the Asbestos Compensation Coalition, 400 to 500 new lawsuits are filed each month against asbestos manufacturers.

The Institute for Civil Justice, a division of the Rand Corporation, published in 1983 a study of 3,000 claims showing that it takes $95,000 from a defendant or the insurer to get $35,000 in the hands of an asbestos claimant. In other words, legal costs took $60,000, almost twice as much as the average victim ultimately received.

As providers of liability coverages, insurance companies are in the position of paying judgments rendered through the civil justice system. A critical question which has emerged from the asbestos crisis is who is responsible for compensating victims of diseases which become apparent after a long period of time. Millions of dollars already have been paid by insurers through the workers' compensation system and settlements of product liability lawsuits. No one knows what the ultimate cost to insurers will be from the settlement of asbestos claims, but estimates range from $4 billion to as much as $170 billion.

Workers' Compensation

Laws permitting insurers to establish and put into effect workers' compensation insurance rates without prior regulatory approval were enacted for the first time in Kentucky, Michigan, Rhode Island, Illinois and Georgia in 1982. Previously Oregon and Minnesota had enacted such laws.

PROPERTY/CASUALTY INSURANCE COMPANIES BY STATE

The property/casualty insurance business in the United States comprised 3,444 individual companies early in 1983, according to information provided by the insurance departments of the various states. The count includes for the first time nearly 400 small companies which provide various property and liability coverages, but most of which are subject to regulation by other state agencies. About 900 of the 3,444 companies operate in all or most states and among them write a vast majority of the business. The other companies perform vital insurance services limited to people in sharply defined geographical areas or to members of specialized groups, such as farmers.

Home offices of the companies are scattered among the 50 states and the District of Columbia. Thirty-two states house 30 or more companies each. The state with the greatest number of domestic insurers is Illinois, with 290.

The number of property/casualty insurance company home offices in each state is listed below.

Property/Casualty Insurance Companies By State, 1983

State	Home Offices	State	Home Offices
Alabama	23	Missouri	182
Alaska	9	Montana	5
Arizona	21	Nebraska	83
Arkansas	35	Nevada	3
California	131	New Hampshire	33
Colorado	53	New Jersey	46
Connecticut	48	New Mexico	13
Delaware	105	New York	211
District of Columbia	12	North Carolina	57
Florida	76	North Dakota	43
Georgia	47	Ohio	151
Hawaii	17	Oklahoma	51
Idaho	6	Oregon	16
Illinois	290	Pennsylvania	200
Indiana	114	Rhode Island	20
Iowa	203	South Carolina	29
Kansas	35	South Dakota	50
Kentucky	34	Tennessee	48
Louisiana	40	Texas	243
Maine	24	Utah	7
Maryland	30	Vermont	15
Massachusetts	49	Virginia	39
Michigan	58	Washington	27
Minnesota	182	West Virginia	17
Mississippi	5	Wisconsin	199
		Wyoming	3

Source: State Insurance Departments.

EMPLOYMENT IN INSURANCE

Employment in all segments of the insurance business in the United States increased by about 4 percent from 1981 to 1982. The number of persons employed by companies in the property/casualty sector was up one-half of 1 percent.

Data compiled by the Bureau of Labor Statistics of the U.S. Department of Labor show that industrywide employment rose from 1,898,400 in 1981 to 1,981,000 in 1982. The data reflect an increase from 475,900 to 478,400 in property/casualty company personnel, and a rise from 465,600 to 474,200 in the number of agents, brokers and service personnel in all segments of the insurance business. However, according to the American Council of Life Insurance, the government data do not take into account a significant number of independent agents and agency staff employees—an estimated 200,000 in 1981 and 270,000 in 1982.

Since 1976, employment among property/casualty companies has risen by 20 percent; among other insurance companies, by 8 percent.

Separate data compiled by the Equal Opportunity Employment Commission show that:

- members of minority groups constituted 17.4 percent of insurance personnel in 1981, up from 10.7 percent in 1970 and 17.2 percent in 1980;
- women constituted about 62 percent of the insurance industry workforce in 1981, as compared with 55 percent in 1970 and 61.6 percent in 1980;
- some 26.3 percent of the employees classified as insurance officials or managers in 1981 were women, who held only 10.8 percent of such positions in 1970 and 24.6 percent in 1980;
- women comprised 41.9 percent of all professional employees in insurance in 1981 (up from 16.9 percent in 1970 and 40.3 percent in 1980) and 65.7 percent of insurance technicians (up from 38.4 percent in 1970 but down slightly from 67.4 percent in 1980).

Employment in Insurance 1976-1982
(Annual Averages)

	Property/Casualty Companies	Other Companies	Agents, Brokers & Service Personnel*	All-Industry*
1976	398,400	701,900	350,900	1,452,200
1977	425,300	715,600	372,200	1,513,100
1978	446,900	726,700	592,600	1,766,200
1979	467,600	732,200	625,100	1,824,900
1980	477,100	747,000	652,300	1,876,400
1981	475,900	756,900	665,600	1,898,400
1982	478,400	758,400	744,200	1,981,000

**1978-1982 figures from the Bureau of Labor Statistics have been adjusted to account for American Council of Life Insurance estimates of additional independent agents and staff personnel.*

Sources: Bureau of Labor Statistics; American Council of Life Insurance.

OWNERSHIP OF INSURANCE

More than nine of every 10 American home owners and car owners carry insurance to protect themselves against potentially disastrous financial losses.

A countrywide survey conducted by the Insurance Information Institute in March 1981 indicated that 71 percent of U.S. households owned and 29 percent rented their residences. Of the owner-occupied homes, about 94 percent were covered by fire insurance. The study made no distinction between those who purchased homeowners package policies, which cover many other perils as well as fire, and those who had separate fire insurance policies.

Some 83 percent of the home owners said they insured their household contents. Only 5 percent said they carried neither fire nor household contents coverage.

Among households that rent, 22 percent said they carried fire insurance and 25 percent said they insured their household contents. The percentage who have insurance protection was higher among those who rented private homes than those who occupied apartments.

The study indicated that 92 percent of all car owners carried automobile insurance. Ownership of auto insurance was highest (95 percent) among residents of suburban areas and lowest (88 percent) among rural dwellers. While only 86 percent of car owners in the 18-29 age bracket said they carried auto insurance, the range was from 93 percent to 97 percent among older age groups.

Generally, the findings varied only slightly from those of a similar study conducted a year earlier.

Auto Insurance Coverage Reported by U.S. Car Owners, 1981

By Age Group	Total U.S.	18-29	30-39	40-49	50-59	60 & Older
Have Insurance	92%	86%	93%	97%	95%	95%
Do Not Have Insurance	8%	14%	7%	3%	5%	5%

By Place of Residence	Total U.S.	Urban	Suburban	Rural
Have Insurance	92%	92%	95%	88%
Do Not Have Insurance	8%	8%	5%	12%

Source: Insurance Information Institute.

Insurance Coverage Reported by U.S. Households, 1981

	Own Residence	Rent Residence		
	Total*	Total	Home	Apartment
Percent of Households Who Have:				
Fire Insurance	94%	22%	29%	15%
Household Contents Insurance	83%	25%	30%	20%
Both	82%	16%	22%	12%
Neither	5%	70%	63%	76%

**Including about 1 per cent who own cooperatives or condominiums.*

Source: Insurance Information Institute.

THE WORLD INSURANCE MARKET

The United States accounted for 46 percent of the total as the world's insurance premium volume, excluding Eastern Bloc countries, reached some $450 billion in 1981. The data were compiled by the North American Reinsurance Corporation (NARC) which said the figure was only a modest 3.5 percent higher than that of 1980, primarily because of exchange losses when converting currency of other nations into higher-rated U.S. dollars. Without the currency effects, NARC noted, the increase would have been about 11 percent.

The report covers 55 countries which have total premium volume of at least $100 million each and which together account for about 99 percent of the world insurance market.

The United States' 46 percent share of the total market — up from 43.6 percent in 1980 — was greater than that of the next 12 leading nations combined. However, the United States was replaced by Ireland as the world leader in terms of the economic significance of the insurance industry measured in terms of its relationship to the gross national product. Ireland premiums as a percentage of GNP stood at 7.10 in 1981, fractionally higher than the United States' 7.05. Great Britain was third at 6.12.

On a premium-per-capita basis, Switzerland held its place as the world leader in 1981 at $985.30. The U.S. was second at $900.80 per capita, followed by Canada at $631.70.

Overall, in 1981, the non-life insurance business, including property/casualty and accident and health, accounted for $261 billion, or 58 percent, of the world premium volume. Life insurance accounted for some $189 billion, or 42 percent.

Life insurance accounted for more than half the insurance premiums in only nine countries: Great Britain, Ireland, Finland, South Africa, Japan, South Korea, India, Taiwan and Zimbabwe. The North American Reinsurance Corporation explained that, "No doubt, varying factors are responsible for these high shares of life business, such as little developed social security or life insurance as the main carrier of pension schemes."

In Japan alone, life insurance accounted for more than 69 percent of total insurance premiums, and for some 22 percent of the world share of life insurance. In Great Britain, life insurance in 1981 accounted for 53 percent of the total insurance business and for 8 percent of the world share of life insurance.

Among countries in which non-life insurance was predominant are Turkey (97 percent of total premiums); Portugal (92 percent); Argentina (92) percent); Spain (88 percent); Italy (88 percent), and Brazil (84 percent). In the United States, non-life insurance accounted for about 63 percent of the total premiums in 1981.

The growth of private insurance in the various continents is summarized in the table that follows (for the purpose of this comparison,

Mexico, Central America and South America are considered to make up Latin America).

As reflected by the data shown below, the main trends during the period from 1965 through 1981 were:

- the increasing percentage of world premiums written in Asia and Europe;
- the corresponding reduction in the percentage of world premiums written by insurers in North America (the United States and Canada), and
- the growth rates of Asia (especially Japan) and the other continents, which were well above the growth rate of North America.

The second table below lists the 10 leading insurance countries, based on total premium income from direct domestic business of all national and foreign insurers.

Growth of World Private Insurance Premiums*
(in billions of dollars and percentages)

	1965		1975		1981		
Continent	Amount	% of Total	Amount	% of Total	Amount	% of Total	Growth Ratio 1981/65
North America	$46.1	65	$113.4	53	$222.3	49	4.8X
Europe	17.9	25	65.0	31	133.0	30	7.4
Asia**	3.6	5	23.2	11	69.3†	15	19.3
Oceania	1.3	2	4.6	2	9.5	2	7.3
Latin America	.8	1	3.6	2	8.5†	2	10.6
Africa	.7	1	2.2	1	7.4†	2	10.6
Total	$70.4	100	$212.0	100	$450.0	100	6.4X

† *Estimated.*

**Excluding social insurance and Communist Bloc.*

***Primarily Japan.*

X means times.

Sources: Insurance Information Institute (International Insurance, Managing Risk in the World, by D. L. Bickelhaupt and Ran Bar-Niv); 1981 data, North American Reinsurance Corporation (Sigma, May 1983)

The World's Leading Insurance Countries in 1981
(Premiums in Millions of U.S. Dollars)

Position	Country	Non-Life Premiums	Life Premiums	Total Premiums	Percentage of Total World Premiums
1	United States	$131,078	$75,938	$207,016	46.00
2	Japan	18,513	42,008	60,521	13.45
3	W. Germany	22,669	15,737	38,406	8.53
4	Great Britain	13,794	15,558	29,352	6.52
5	France	15,064	5,742	20,806	4.62
6	Canada	8,739	6,555	15,294	3.40
7	Netherlands	4,602	3,172	7,774	1.73
8	Australia	5,138	2,608	7,746	1.72
9	Italy	6,136	876	7,012	1.56
10	Switzerland	3,276	3,099	6,375	1.42

Source: North American Reinsurance Corporation, Sigma, May 1983.

NET PREMIUMS WRITTEN BY LINE

Total premiums written by insurance companies in 1982 in the United States for all types of insurance approximated $222 billion.

Purchases of property and casualty insurance increased about 4.7 percent in 1982. Net premiums written by property and casualty companies totaled nearly $104 billion in 1982.

Approximate premium totals for principal property, liability and allied lines of insurance in 1981 and 1982 are tabulated below, along with the percentage of change in premium volume in each of those lines in 1982.

Net Premiums Written by Line, 1981-1982*

	1982	1981	% Change
Auto Liability, Pv. Passenger	$ 21,487,468,000	$19,649,912,000	+ 9.4
Auto Liability, Commercial	4,738,978,000	4,745,262,000	− .1
Total Auto Liability	26,226,446,000	24,395,174,000	+ 7.5
Auto Physical Damage, Pv. Passenger	15,292,070,000	14,033,870,000	+ 9.0
Auto Physical Damage, Commercial	2,713,417,000	2,713,919,000	− 0.0
Total Auto Physical Damage	18,005,487,000	16,747,789,000	+ 7.5
Total Automobile	44,231,933,000	41,142,963,000	+ 7.5
Medical Malpractice	1,490,270,000	1,338,299,00	+11.4
General Liability	5,668,459,000	6,046,292,000	− 6.2
Total Liability (other than auto)	7,158,729,000	7,384,591,000	− 3.1
Fire Insurance and Allied Lines**	4,836,408,000	4,817,003,000	+ .4
Homeowners Multiple Peril	11,746,998,000	10,779,626,000	+ 9.0
Farmowners Multiple Peril	668,991,000	619,889,000	+ 7.9
Commercial Multiple Peril	7,009,385,000	6,869,978,000	+ 2.0
Workers' Compensation	13,945,256,000	14,616,297,000	− 4.6
Inland Marine	2,509,999,000	2,427,692,000	+ 3.4
Ocean Marine	1,100,596,000	1,126,766,000	− 2.3
Surety and Fidelity	1,454,158,000	1,351,247,000	+ 7.6
Burglary and Theft	114,905,000	127,534,000	− 9.9
Boiler and Machinery	292,845,000	298,320,000	− 1.8
Glass	28,814,000	31,085,000	− 7.3
Aircraft	253,639,000	208,710,000	+21.5
Accident and Health	4,306,651,000	3,585,113,000	+20.1
Other Lines	4,308,914,000	3,888,761,000	+10.8
Total, All Lines	$103,968,221,000	$99,275,575,000	+ 4.7

**Net Premiums written represent premium income retained by insurance companies, direct or through reinsurance, less payments made for business reinsured.*

***Allied lines data include ~~crop-hail insurance premiums~~, reported separately on Page 28.*

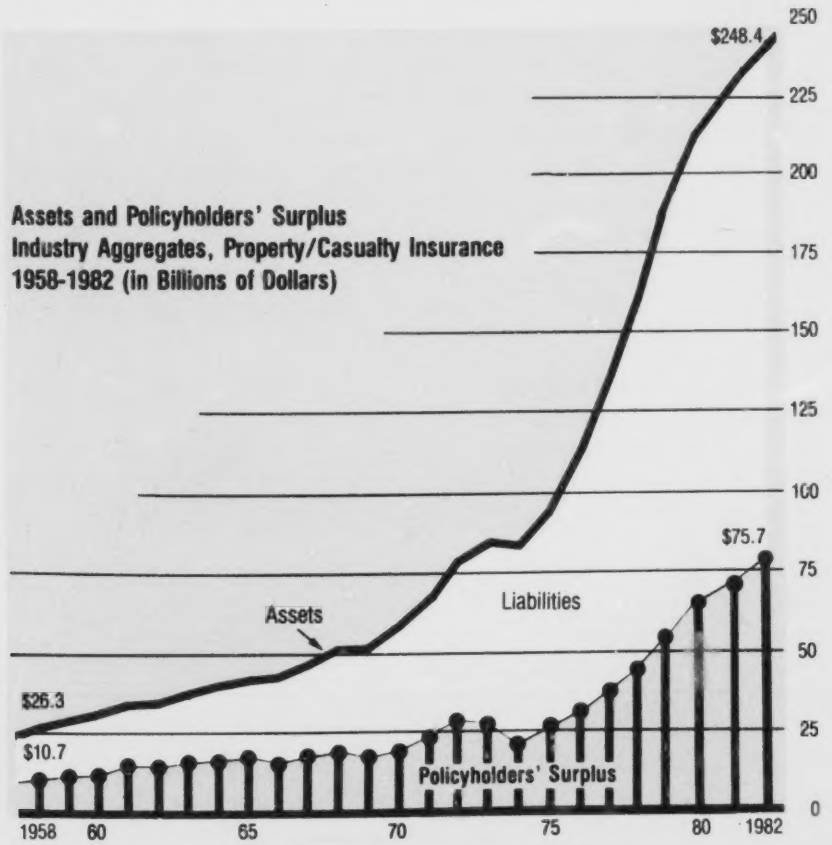
Source: A.M. Best Company, Inc., Best's Aggregates & Averages.

ASSETS AND POLICYHOLDERS' SURPLUS

An idea of the strength and reliability of the property and casualty companies may be gained from a review of their assets and policyholders' surplus. The surplus is the sum remaining after liabilities are deducted from assets, and includes such sums as paid-in capital and special voluntary reserves. It provides additional financial protection to policyholders in the event of unexpected or catastrophic losses.

Traditionally, assets and policyholders' surplus have been reported in terms of aggregate totals, with the result that the industrywide figures have included some duplications because of interownerships within company groups. Since these figures have been reported consistently on the same basis, however, they provide a clear reflection of historical trends. The graph below, based on aggregate rather than consolidated figures, shows that while the industry's assets have been climbing steadily, liabilities have been increasing at a greater rate than surplus.

The graph also shows that over the years there have been some fluctuations in the policyholders' surplus account. The biggest single-year decline occurred in 1974, when a $6.2 million drop in the overall surplus account was attributed to depressed market values of securities combined with underwriting losses of more than $2.64 billion. Deflated securities values had been blamed for a lesser decline in 1973.



Source: Insurance Information Institute, based on data from Best's Aggregates & Averages.

Assets and Policyholders' Surplus (continued)

Consolidated totals, computed by eliminating interownerships, provide a more accurate picture of the industry's financial position. The table below reflects an increase of 12.2 percent in policyholders' surplus from 1981 to 1982 and an increase of 70.7 percent since 1978. Assets, up 9.1 percent in 1982, have risen by some 55.4 percent since 1978. Most of these assets are invested in government, industrial and utility bonds, high grade stocks and to some extent in the real estate which the companies use for their own offices.

Consolidated Assets and Policyholders' Surplus
1978-1982

	Assets	Annual % Change	Policyholders' Surplus	Annual % Change
1978	$149,097,273,952		$35,378,833,175	
1979	174,227,967,482	+16.9	42,456,100,830	+20.0
1980	197,660,794,250	+13.4	52,196,380,693	+22.9
1981	212,302,741,594	+ 7.4	53,804,788,612	+ 3.1
1982	231,692,712,528	+ 9.1	60,394,591,263	+12.2

Source: A.M. Best Company, Inc., Best's Aggregates & Averages

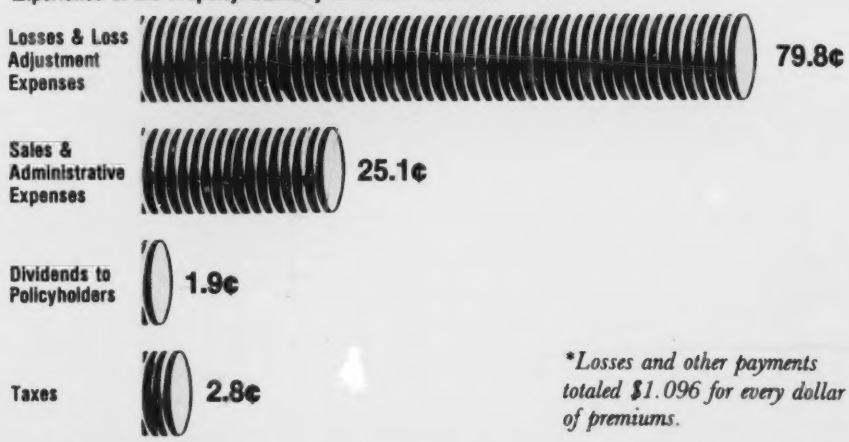
WHERE THE PREMIUM DOLLAR GOES

Losses and the expenses involved in adjusting claims accounted for nearly 80 cents of every premium dollar taken in by property and casualty insurers in 1982. The overall cost of underwriting operations in 1982 amounted to the equivalent of nearly $1.10 for every dollar in premiums, although the underwriting operations are intended to yield a reasonable profit.

Even in unprofitable years, some companies pay dividends to commercial policyholders that reflect their favorable loss experience, or dividends that reflect the total loss experience of certain lines of insurance.

Where the Premium Dollar Goes

Experience of the Property/Casualty Insurance Business in 1982*



**Losses and other payments totaled $1.096 for every dollar of premiums.*

Source: A.M. Best Company, Inc.

OPERATING RESULTS, PROPERTY/CASUALTY INSURERS

Profits and losses of property and casualty insurance companies, particularly in recent years, have been subject to greater fluctuations than those of such other industries as banks, utilities and industrial companies. Separate analyses show that:

- The property/casualty business during the last quarter-century has recorded a net underwriting loss, after policyholders' dividends, of nearly $29.8 billion. The industry has shown profits on underwriting operations in only nine of the last 25 years and in only five of the last 15 years (Table I).
- Investments of capital and surplus accounts, together with money set aside as loss reserves and unearned premium reserves, have generated income in those 25 years (Table II), thus permitting companies to continue their insurance operations despite the frequent underwriting deficits.

While the industry enjoyed an 8.7 percent increase in investment income in 1982, to a record $14.4 billion, the net underwriting loss spiralled upward by 63.7 percent to a new high mark of $10.3 billion. The resulting combined net income total of $4.6 billion was the industry's lowest since 1976.

I — Underwriting Results
Property/Casualty Insurance Business, 1958-1982

	Statutory Underwriting Gain/Loss	Policyholder Dividends	Net Underwriting Gain/Loss
1958	$ 205,980,164	$ 281,340,460	$ −75,360,296
1959	426,979,850	299,492,435	127,487,415
1960	462,366,550	312,538,826	149,827,724
1961	482,088,786	317,267,523	164,821,263
1962	343,667,196	297,153,061	46,514,135
1963	−165,513,560	342,918,102	−508,431,662
1964	−325,722,907	346,383,390	−672,106,297
1965	−352,262,883	357,266,631	−709,529,514
1966	386,926,845	406,801,627	−19,874,782
1967	233,618,824	448,577,105	−254,958,281
1968	−148,223,790	420,525,267	−568,749,057
1969	−529,899,198	518,055,044	−1,047,954,242
1970	77,776,245	503,557,640	−425,781,395
1971	1,381,800,492	555,628,714	826,171,778
1972	1,797,933,814	736,282,724	1,061,651,090
1973	791,761,321	785,697,875	6,063,446
1974	−1,878,371,405	766,526,721	−2,644,898,126
1975	−3,593,959,232	632,838,443	−4,226,797,675
1976	−1,558,551,291	630,100,279	−2,188,651,570
1977	1,926,315,435	814,512,866	1,111,802,569
1978	2,548,142,724	1,251,810,856	1,296,331,868
1979	23,605,762	1,324,377,487	−1,300,771,725
1980	−1,712,423,071	1,621,544,714	−3,333,967,785
1981	−4,463,887,604	1,823,748,383	−6,287,635,987
1982	−8,303,039,432	1,986,826,602	−10,289,866,034

Source: A.M. Best Company, Inc., Best's Aggregates & Averages.

Operating Results, Property/Casualty Insurers (continued)

Data provided by the National Association of Insurance Commissioners show that in the 10-year period from 1972 through 1981, the industry's annual operating profit or loss (after income taxes and exclusive of capital gains) as a percentage of sales ranged from a 1.8 percent loss in 1975 to a 5.9 percent profit in 1978, then skidded downward each year to reach 3.7 percent in 1981. The NAIC found that profits considered as a return on net worth ranged from a low of 1.8 percent in 1975 to a high of 18.0 percent in 1978 (see tabulation on Page 22).

II — Investment Income, Property/Casualty Insurers* 1958-1982

1958	$ 618,356,555	**1971**	$ 2,421,495,267
1959	684,701,752	**1972**	2,799,737,168
1960	767,895,538	**1973**	3,325,344,488
1961	813,163,277	**1974**	3,832,669,322
1962	883,630,622	**1975**	4,150,203,882
1963	947,022,329	**1976**	4,805,938,998
1964	1,031,931,888	**1977**	5,815,788,033
1965	1,131,625,619	**1978**	7,289,554,007
1966	1,217,979,544	**1979**	9,279,235,043
1967	1,351,764,288	**1980**	11,063,492,131
1968	1,511,509,149	**1981**	13,248,494,833
1969	1,711,806,360	**1982**	14,906,655,340
1970	2,005,080,766		

**Industrywide investment income, less investment expenses, before taxes. Figures for years prior to 1977 are aggregates and include some duplications because of interownerships within company groups. Totals from 1977 through 1982 have been consolidated to eliminate such duplications. Aggregate investment income figures for all years were used in the development of the second and third charts on Page 21 in order to provide a consistent reflection of historical trends.*

Source: A.M. Best Company, Inc., Best's Aggregates & Averages.

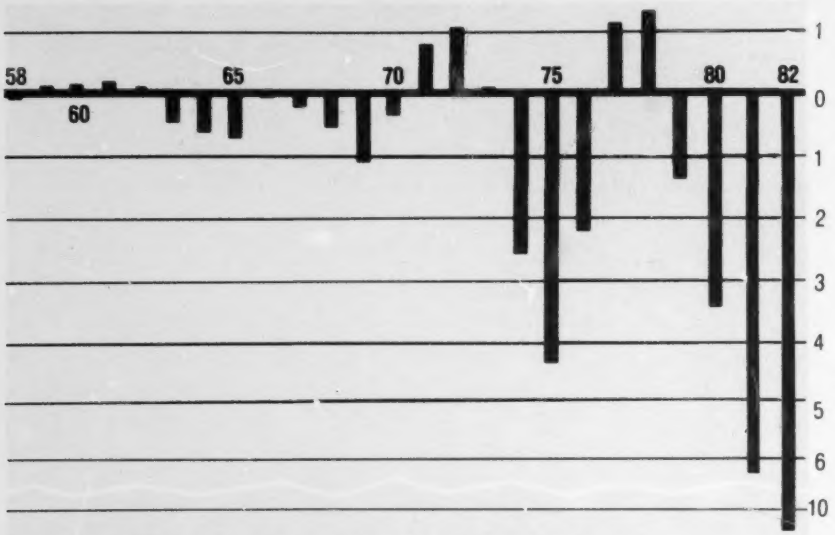
III — Combined Net Income* Before Taxes, Property/Casualty Insurers 1958-1982

1958	$ 542,996,259	**1971**	$ 3,247,667,045
1959	812,189,167	**1972**	3,861,388,258
1960	917,723,312	**1973**	3,331,407,934
1961	977,984,540	**1974**	1,187,771,196
1962	930,144,757	**1975**	76,593,793
1963	438,590,667	**1976**	2,617,287,428
1964	359,825,591	**1977**	6,927,590,602
1965	422,096,105	**1978**	8,585,885,875
1966	1,198,104,762	**1979**	7,978,463,318
1967	1,096,806,007	**1980**	7,729,524,346
1968	942,760,092	**1981**	6,960,858,846
1969	663,852,118	**1982**	4,616,789,306
1970	1,579,299,371		

**Includes both underwriting gains or losses and investment income.*

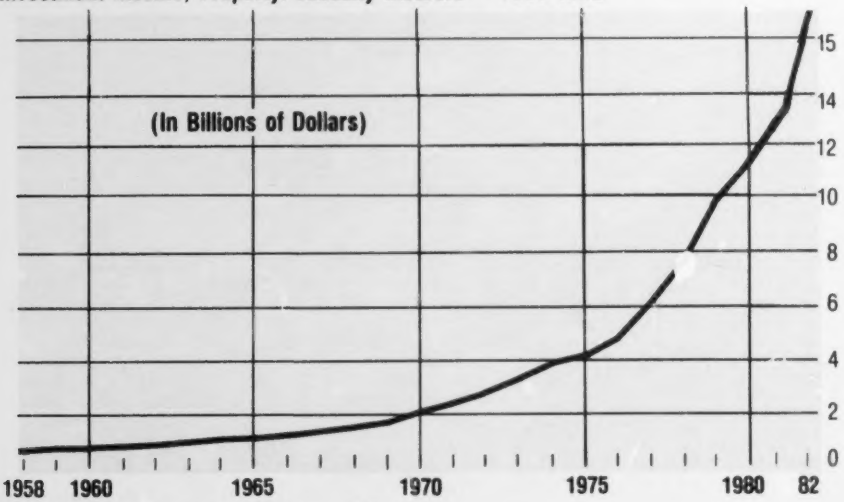
Source: A.M. Best Company, Inc., Best's Aggregates & Averages.

Underwriting Gains/Losses After Policyholder Dividends
Property/Casualty Insurance Business 1958-1982 (In Billions of Dollars)



Source: Insurance Information Institute, based on data from Best's Aggregates & Averages.

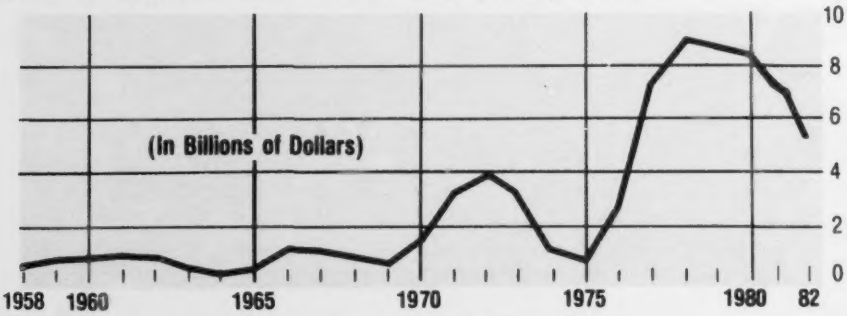
Investment Income, Property/Casualty Insurers* 1958-1982



**Industry aggregates less investment expenses; before taxes.*

Source: Insurance Information Institute, based on data from Best's Aggregates & Averages.

Combined Net Income* Before Taxes, Property/Casualty Insurers 1958-1982



**Includes both underwriting gains or losses and aggregate investment income.*

Source: Insurance Information Institute, based on data from Best's Aggregates & Averages.

PROFITABILITY, INSURANCE AND OTHER INDUSTRIES

The highly competitive nature of the property/casualty insurance business generally has held its profitability over the years below the average of all U.S. industries, although in some years it has outperformed other industries, including those which are financially oriented.

Generally, the return on net worth of the property/casualty insurance business has been considerably less stable over the years than those recorded by other industries.

The table below compares the average annual rates of return of the property/casualty insurance business, diversified financial companies as a group, banks, utilities, transportation, industrial firms and all industries combined. The diversified financial group is composed largely of companies engaged in property and casualty insurance with or without life insurance and other financial services.

The insurance industry data, computed by the National Association of Insurance Commissioners, represent net income (excluding capital gains) divided by mean net worth during the year.

Derived from Fortune Magazine studies, the annual rates of return for the diversified financial group, banks, utilities, transportation and the industrial group are computed on the basis of net income (including realized capital gains) divided by end of year net worth.

The all-industry figures, compiled by the Economic Department of Citibank of New York, represent after-tax profits as a percentage of net worth at the beginning of each year.

Average Annual Rates of Return on Net Income After Taxes as Percent of Net Worth, Selected Industries

Year	Property/ Casualty Insurance	Diversified Financial	Banks	Utilities	Transportation	Industrial	All Industries
1973	11.4%	11.2%	12.5%	10.0%	4.7%	13.7%	12.0%
1974	5.6	7.5	12.8	9.8	6.5	14.1	12.5
1975	1.8	8.9	12.1	9.9	3.7	11.4	11.5
1976	10.5	12.1	11.5	10.6	8.8	13.5	13.3
1977	17.8	16.7	11.6	11.1	10.1	13.3	13.8
1978	18.0	17.3	12.9	11.3	13.3	14.2	14.6
1979	15.3	17.5	14.1	12.0	13.2	16.1	16.4
1980	12.7	14.0	13.4	11.7	11.3	15.0	14.9
1981	11.7	11.4	13.0	12.7	13.3	14.3	14.5
1982	8.5*	10.0	12.0	12.5	7.9	10.3	11.4
1973-82**	11.3%	12.7%	12.6%	11.2%	9.3%	13.6%	13.5%

**Insurance Information Institute estimate.*

***10-year averages computed by the Insurance Information Institute.*

Sources: Property/casualty insurance data, 1973-1981, National Association of Insurance Commissioners; diversified financial, banks, utilities, transportation and industrial, 1973-1981, National Association of Insurance Commissioners, based on Fortune Magazine studies (1982 figures are Insurance Information Institute compilations based on a Fortune Magazine study); all industries data, Corporate Profits Tabulations, Economic Department, Citibank.

INVESTMENTS OF PROPERTY/CASUALTY INSURERS

The last decade saw a significant change in the investment portfolios of property/casualty insurance companies, with more and more emphasis on fixed-income securities.

From 1972 to 1982, the portion of those portfolios invested in bonds rose from 56.98 percent to 73.33 percent. Over the same period, holdings of preferred stocks increased from 4.25 percent to 5 percent. Portfolio holdings of common stocks declined from 38.36 percent to 19.91 percent in the 10-year period ended 1982.

Among the fixed-income securities, the sharpest increase was in holdings of special revenue bonds, which accounted for nearly a third of the industry's invested assets in 1982. Special revenue bonds include those issued by hospitals and colleges for expansion of facilities as well as for various public works programs, toll bridges and highways.

Funds used by property/casualty companies for investments are generally derived from three major sources: policyholders' surplus, unearned premium reserves and loss reserves. Property/casualty companies maintain the bulk of their funds in investments that can be sold readily—stocks and bonds, rather than general real estate—so that prompt payment of claims in the event of a catastrophe is assured.

Investments of Property/Casualty Insurers

	% in 1982	% in 1977	% in 1972
Bonds	**73.33**	**64.29**	**56.98**
U.S. Government	12.25	16.91	7.75
Other Government	.85	.76	.50
State, Municipal, etc.	14.32	20.41	17.65
Special Revenue, Etc.	32.79	3.75	19.46
Railroad	.29	.57	.40
Utility	3.46	6.14	3.63
Miscellaneous	8.87	15.18	7.08
Parent, Subs., Affiliates	.49	.57	.51
Common Stock	**19.91**	**30.25**	**38.36**
Railroad	.09	.04	.12
Utility	1.54	2.15	3.84
Bank	.83	1.24	2.44
Savings & Loan	—	—	.05
Insurance	.88	.46	.53
Miscellaneous	10.94	11.84	21.49
Parent, Subs., Affiliates	5.62	14.52	9.89
Preferred Stock	**5.00**	**4.58**	**4.25**
Railroad	.06	.02	.03
Utility	3.35	3.55	3.20
Bank	.13	.04	.03
Insurance	.09	.09	.02
Miscellaneous	1.30	.79	.92
Parent, Subs., Affiliates	.07	.09	.05
Other	**1.76**	**.88**	**.41**
Mortgages	.87	.45	.27
Collateral Loans	.07	.07	.07
Other Invested Assets	.82	.36	.07

Source: A.M. Best Company, Inc.

NET PREMIUMS WRITTEN, 1973-1982

Total net premiums written by property and casualty companies have risen from about $42.5 billion in 1973 to about $104 billion in 1982. Accident and health premiums accounted for $4.3 billion of the total premiums written in 1982 by property and casualty insurers.

Total Net Premiums Written by Property and Casualty Insurance Companies, 1973-1982 (000 omitted)

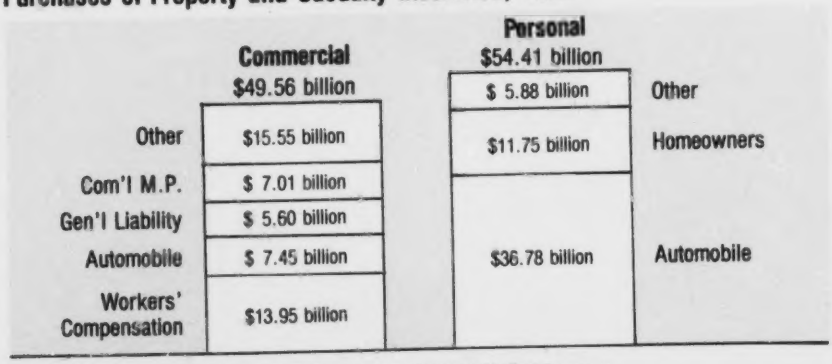
Year	Accident and Health	All Other	Total	Annual % Change
1973	$1,518,687	$40,961,085	$ 42,479,772	
1974	1,718,787	43,433,572	45,152,359	+ 6.3
1975	1,820,412	48,146,153	49,966,565	+10.7
1976	2,120,152	58,693,166	60,813,318	+21.7
1977	2,316,734	70,080,195	72,396,929	+19.0
1978	2,627,884	79,062,047	81,689,931	+12.8
1979	3,179,250	86,943,369	90,122,619	+10.3
1980	3,290,764	92,388,785	95,568,749	+ 6.0
1981	3,585,113	95,690,462	99,275,575	+ 3.9
1982	4,306,651	99,661,570	103,968,221	+ 4.7

Source: A.M. Best Company, Inc., Best's Aggregates & Averages.

WHO PAYS THE PREMIUM DOLLAR?

Purchases by individuals and their families accounted for approximately 52.3 percent of the nearly $104 billion in net premiums written by property and casualty insurers in the United States in 1982. Premiums paid by commercial purchasers amounted to about $49.56 billion with the heaviest concentrations in workers' compensation, automotive coverages, general liability and commercial multiple peril "package" policies. Estimates of the property and liability insurance premiums paid by commercial and individual insurance purchasers are shown below.

Purchases of Property and Casualty Insurance, 1982



Source: Insurance Information Institute, based on data provided by A.M. Best Company.

AUTOMOBILE INSURANCE

In the face of continually climbing medical, legal and automobile repair costs, a vast majority of America's 149 million motorists are recognizing the prudence of purchasing automobile insurance to protect themselves against financial hardship resulting from motor vehicle accidents.

Auto insurance, in fact, is by far the largest single classification of the property/casualty insurance business. The premium volume of some $44.2 billion recorded in 1982 was 7.5 percent higher than that of the previous year and was more than double that of 1975, only seven years earlier. Auto insurance in 1982 accounted for about 42.5 percent of the total premium volume written by property/casualty insurers.

Automobile liability insurance comprises almost 60 percent of all auto insurance purchases. About half of the states today require their registered car owners to carry automobile liability insurance or to provide some other form of security.

Auto insurance is purchased primarily by individuals or family groups. In 1982, only 16.8 percent of all automobile insurance was purchased by industrial and other commercial buyers. From 1981 to 1982, the premium volume rose by some 9.2 percent for private passenger insurance but declined fractionally for the commercial auto lines.

While some companies recorded at least modest profits, the industry as a whole suffered an underwriting loss of more than $3.6 billion on the auto insurance lines in 1982. The commercial lines accounted for about a third of that deficit. Overall, the auto insurance business has been in the red in seven of the last 10 years.

Automobile Liability Insurance
1973-1982

	Private Passenger			Commercial		
Year	Premiums Written	Annual % Change	Combined Ratio*	Premiums Written	Annual % Change	Combined Ratio*
1973	$ 9,525,014,000		99.5	$2,286,028,000		106.3
1974	9,688,569,000	+ 1.7	101.7	2,321,486,000	+ 1.1	108.3
1975	10,775,475,000	+11.2	109.3	2,539,220,000	+ 9.4	107.5
1976	12,899,103,000	+19.7	104.6	3,152,478,000	+24.2	103.0
1977	15,085,260,000	+16.9	98.8	3,892,498,000	+23.5	98.4
1978	16,047,775,000	+ 6.4	98.3	4,335,232,000	+11.4	99.3
1979	17,385,444,000	+ 8.3	100.8	4,716,903,000	+ 8.8	104.4
1980	18,590,373,000	+ 6.9	102.6	4,728,913,000	+ 0.3	109.0
1981	19,649,912,000	+ 5.7	108.9	4,745,262,000	+ 0.3	117.5
1982	21,487,468,000	+ 9.4	110.1	4,738,978,000	− 0.1	125.6

**Before dividends to policyholders.*

Source: A. M. Best Company, Inc., Best's Aggregates & Averages.

Automobile Physical Damage Insurance
1973-1982

Year	Private Passenger Premiums Written	Annual % Change	Combined Ratio*	Commercial Premiums Written	Annual % Change	Combined Ratio*
1973	$ 5,893,287,000		94.8	$1,101,750,000		93.7
1974	5,903,408,000	+ 0.2	100.2	1,160,151,000	+ 5.3	100.0
1975	6,385,762,000	+ 8.2	114.0	1,237,178,000	+ 6.6	106.6
1976	7,987,437,000	+25.1	104.9	1,577,822,000	+27.5	95.9
1977	9,605,041,000	+20.3	92.1	1,946,717,000	+23.4	88.0
1978	10,540,718,000	+ 9.7	95.9	2,294,195,000	+17.8	89.5
1979	11,909,408,000	+13.0	100.3	2,628,293,000	+14.6	93.6
1980	13,086,150,000	+ 9.9	96.6	2,746,853,000	+ 4.5	95.9
1981	14,033,870,000	+ 7.2	98.6	2,713,919,000	- 1.2	99.8
1982	15,292,070,000	+ 9.0	101.4	2,713,417,000	- 0.0	106.0

**Before dividends to policyholders.*

Source: A. M. Best Company, Inc., Best's Aggregates & Averages.

FIRE INSURANCE AND ALLIED LINES

With fire insurance coverage sold widely as part of the popular homeowners and commercial multiple peril policies, premium volume from fire insurance policies dipped slightly in 1982, for the third consecutive year. However, the premium volume for allied lines, which includes crop-hail insurance as well as coverage against windstorm, earthquake and other perils, increased by about 3.6 percent.

Overall, the industry has recorded a profit on fire insurance in each of the last 10 years, while the allied lines have shown a deficit in only two years of the same decade.

Fire Insurance and Allied Lines
1973-1982

Year	Fire Insurance Premiums Written	Annual % Change	Combined Ratio*	Allied Lines** Premiums Written	Annual % Change	Combined Ratio*
1973	$2,452,874,000		89.4	$1,044,010,000		80.3
1974	2,429,159,000	- 1.0	95.9	1,109,051,000	+ 6.2	98.3
1975	2,510,230,000	+ 3.3	95.9	1,180,946,000	+ 6.5	92.8
1976	2,810,538,000	+12.0	92.3	1,291,270,000	+ 9.3	84.6
1977	3,057,800,000	+ 8.8	90.1	1,442,158,000	+11.7	78.8
1978	3,223,389,000	+ 5.4	88.8	1,451,979,000	+ 0.7	89.9
1979	3,246,495,000	+ 0.7	94.3	1,534,155,000	+ 5.7	100.7
1980	3,209,955,000	- 1.1	97.7	1,573,940,000	+ 2.6	103.8
1981	3,192,516,000	- 0.5	97.6	1,624,487,000	+ 3.2	94.6
1982	3,153,523,000	- 1.2	97.4	1,682,885,000	+ 3.6	99.2

**Before dividends to policyholders.*

***Covers a wide variety of perils, including windstorm, riot, explosion, sprinkler leakage, water damage and earthquakes; also includes crop-hail premiums.*

Source: A. M. Best Company, Inc., Best's Aggregates and Averages.

MULTIPLE PERIL INSURANCE

Until the mid-1950s, property owners had to buy a variety of insurance coverages separately in order to obtain full coverage against such perils as fire, windstorm, burglary and theft, and to protect themselves against liability claims. While most property owners purchased fire and extended coverage insurance, many failed to take advantage of other available forms of coverage. It was to help people more adequately safeguard their resources that insurers developed the homeowners, commercial and other "package" policies offering adequate coverage against a variety of perils at a cost lower than the combined costs of the individual coverages.

The success of the package policies has had a pronounced effect on the amount of insurance written in recent years on such separate lines as fire and extended coverage, liability (other than auto), burglary and theft, inland marine and glass because of the inclusion of such coverages in the package policies.

The growth in popularity of the "package" policies has been spectacular. Since 1973 alone, the annual premium volume for the homeowners policy has jumped by 212 percent and for the commercial multiple peril policy, by 178 percent. Farmowners multiple peril premiums, reported separately for the first time in 1973, spiralled by some 264 percent from $184 million in that year to $669 million in 1982.

Partly because of a high degree of competition which exists among insurers that market the multiple peril lines, underwriting results have been growing steadily worse in recent years. All three lines produced worst-ever results in 1982.

Homeowners/Commercial Multiple Peril
1973-1982

	Homeowners			Commercial		
Year	Premiums Written	Annual % Change	Combined Ratio*	Premiums Written	Annual % Change	Combined Ratio*
1973	$ 3,770,207,000		93.1	$2,517,664,000		88.1
1974	4,156,088,000	+10.2	105.7	2,856,828,000	+13.5	100.9
1975	4,729,381,000	+13.8	106.2	3,176,373,000	+11.2	98.4
1976	5,688,547,000	+20.3	97.2	4,051,785,000	+25.7	93.2
1977	6,795,492,000	+19.5	91.6	4,970,508,000	+22.7	86.5
1978	7,792,293,000	+14.7	92.0	5,829,795,000	+17.3	84.1
1979	8,791,661,000	+12.8	98.6	6,666,822,000	+14.4	92.5
1980	9,820,753,000	+11.7	104.9	6,885,159,000	+ 3.3	98.0
1981	10,779,626,000	+ 9.8	101.4	6,869,978,000	− 0.2	106.0
1982	11,746,998,000	+ 9.0	103.5	7,009,385,000	+ 2.0	115.6

**Before dividends to policyholders.*

Source: A. M. Best Company, Inc., Best's Aggregates & Averages.

Farmowners Multiple Peril
1973-1982

Year	Premiums Written	Annual % Change	Combined Ratio*
1973	$183,922,000		99.2
1974	224,401,000	+22.0	115.0
1975	259,906,000	+15.8	113.1
1976	313,114,000	+20.5	103.0
1977	386,709,000	+23.5	97.4
1978	434,478,000	+12.4	96.1
1979	518,569,000	+19.4	93.2
1980	554,759,000	+ 7.0	112.0
1981	619,889,000	+11.7	111.2
1982	668,991,000	+ 7.9	120.0

**Before dividends to policyholders.*

Source: A. M. Best Company, Inc., Best's Aggregates & Averages.

CROP-HAIL INSURANCE

Hail storms, which occur most frequently in the Great Plains states, often destroy hundreds of thousands — even millions — of dollars worth of crops. Crop-hail insurance provides financial protection against damage resulting from hail or other perils. Entire communities as well as individual farms are covered under crop-hail insurance.

Overall, the crop-hail industry recorded one of its most profitable years in 1982 on the heels of a succession of years of underwriting reverses, according to the Crop-Hail Insurance Actuarial Association.

Premium volume increased by 5.8 percent in 1982 to a record $531.6 million. Leading premium volume states were Iowa, Minnesota, Illinois, Nebraska and North Dakota. Private crop-hail insurers wrote an additional $78 million in multiple peril crop insurance — up from $13 million in 1981. Enactment of the Federal Crop Insurance Act of 1980 made it feasible for private insurers to offer this "all risk" coverage because of the availability of reinsurance from the federal government.

Crop-Hail Insurance
1973-1982

Year	Premiums Written	Annual % Change	Combined Ratio*
1973	$191,311,000		86.4
1974	261,186,000	+36.5	104.9
1975	311,031,000	+19.1	96.4
1976	324,150,000	+ 4.2	93.4
1977	338,963,000	+ 4.6	105.4
1978	349,782,000	+ 3.2	111.1
1979	394,666,000	+12.8	92.4
1980	415,368,000	+ 5.2	133.3
1981	502,503,000	+21.0	102.1
1982	531,570,000	+ 5.8	88.7

**Combined loss ratios are estimates based on expenses reported by members and subscribers of the Crop-Hail Insurance Actuarial Association.*

Source: Crop-Hail Insurance Actuarial Association.

GENERAL LIABILITY INSURANCE

General liability insurance provides protection against claims arising from injuries to others, or damage to property of others, and for which the insured person is held responsible because of ownership of property, a manufacturing or contracting operation, the sale or distribution of products, the operation of elevators and the like, as well as professional services. The general liability line does not cover injuries or damages growing out of automobile accidents, which must be purchased separately.

Sharp increases in the number of lawsuits and the average size of claims in recent years, particularly against doctors and other professional people and product manufacturers, have helped to generate a continuing need for the financial protection afforded by general liability insurance. Although liability coverage is included in both commercial and homeowners "package" policies, the premium volume for the general liability line alone rose steadily for many years. Underwriting profits in 1977 and 1978, however, created a competitive market which brought down the cost of general liability insurance. This development, in turn, contributed to a slowdown in the premium growth rate in 1978 and 1979 and to a decline in premium volume in each of the next three years.

This line has been increasingly unprofitable since 1979.

Medical Malpractice

Medical malpractice insurance premiums were included in the general liability totals through 1974, but have been reported separately since that time. A proliferation of insurance claims and lawsuits against hospitals, doctors and other medical practitioners has not only generated a heavy demand for medical malpractice insurance in recent years, but has contributed to increasingly heavy underwriting losses over the last five years.

Medical malpractice premiums increased by 11.4 percent from 1981 to 1982.

General Liability/Medical Malpractice
1975-1982

	General Liability			Medical Malpractice		
Year	Premiums Written	Annual % Change	Combined Ratio*	Premiums Written	Annual % Change	Combined Ratio*
1975	$3,085,226,000		115.6	$ 895,435,000		117.7
1976	4,251,298,000	+37.8	106.5	1,132,790,000	+26.5	109.8
1977	5,845,075,000	+37.9	99.6	1,247,798,000	+10.2	92.9
1978	6,490,064,000	+11.0	96.9	1,215,789,000	− 2.6	102.6
1979	6,612,474,000	+ 1.9	97.6	1,204,326,000	− 0.9	112.6
1980	6,414,678,000	− 3.0	106.6	1,275,603,000	+ 5.9	128.2
1981	6,046,292,000	− 5.7	115.3	1,338,299,000	+ 4.9	135.7
1982	5,668,459,000	− 6.2	128.6	1,490,270,000	+11.4	149.3

**Before dividends to policyholders.*

Source: A.M. Best Company, Inc., Best's Aggregates & Averages.

WORKERS' COMPENSATION INSURANCE

Workers' compensation insurance is designed to provide for the cost of medical care, rehabilitation and lost wages for injured employees and death benefits for the dependents of persons killed in work-related accidents. The scope of this coverage has broadened considerably in recent years, in large measure because of improvements in state laws to meet performance standards recommended in 1972 by the National Commission on State Workmen's Compensation Laws. Many states have taken action not only to expand benefits but also to make the coverage applicable to classifications of employees not previously covered.

About nine out of ten people in the nation's work force have the protection of workers' compensation insurance, which today is compulsory for nearly all employees in all but three states, New Jersey, South Carolina and Texas. Even in those states, however, most businesses provide the coverage in order to limit their risk of negligence suits.

With the recession of recent years and a continuing high rate of unemployment held to be the main contributing factors, the annual premium volume dropped in 1982 following two years of slowdowns in what had been a strong rate of growth.

Among the incentives offered to employers by workers' compensation insurers to develop and implement effective safety programs is the practice of returning premium dollars at the end of each year to companies with a favorable loss experience. Workers' compensation insurers account for a large part of the dividends returned to policyholders by property/casualty insurers each year (more than two-thirds in each of the last three years), with the result that the line has been generally unprofitable for many years despite combined loss and expense ratios which have been less than 100.0 in seven of the last ten years. In 1982 alone, dividends to policyholders amounted to about 9.9 percent of premiums earned by workers' compensation insurers.

Workers' Compensation
1973-1982

Year	Premiums Written	Annual % Change	Combined Ratio*
1973	$ 4,814,448,000		96.8
1974	5,473,481,000	+ 13.7	99.9
1975	6,185,943,000	+ 13.0	101.1
1976	7,534,249,000	+ 21.8	104.2
1977	9,357,399,000	+ 24.2	103.5
1978	11,300,144,000	+ 20.8	99.4
1979	13,164,144,000	+ 16.5	96.4
1980	14,238,247,000	+ 8.2	93.4
1981	14,616,297,000	+ 2.7	94.1
1982	13,945,256,000	− 4.6	94.0

**Before dividends to policyholders.*

Source: A.M. Best Company, Inc., Best's Aggregates & Averages.

SURETY AND FIDELITY

Surety bonds, including contract, license and permit, court and fiduciary bonds, provide for monetary compensation should there be a failure to perform certain acts — such as the proper fulfillment of a construction contract — within a stated period. Surety bond premiums increased 12.7 percent in 1982.

Fidelity bonds, a suretyship product, are a form of protection against losses caused by dishonest or fraudulent acts of employees. Although most financial institutions are bonded, fewer than 25 percent of mercantile establishments protect themselves with fidelity bonds. In 1982, the premium volume declined for the first time since 1975.

Surety and Fidelity 1973-1982

	Surety			Fidelity		
Year	Premiums Written	Annual % Change	Combined Ratio*	Premiums Written	Annual % Change	Combined Ratio*
1973	$ 502,892,000		87.8	$198,473,000		95.1
1974	551,646,000	+ 9.7	113.6	196,787,000	− 0.8	102.7
1975	566,869,000	+ 2.8	122.1	221,741,000	+12.7	108.9
1976	587,154,000	+ 3.6	102.5	247,678,000	+11.7	105.4
1977	663,083,000	+12.9	96.4	291,114,000	+17.5	110.4
1978	759,480,000	+14.5	96.9	316,703,000	+ 8.8	105.4
1979	805,142,000	+ 6.0	90.8	350,046,000	+10.5	87.9
1980	887,577,000	+10.2	105.7	360,063,000	+ 2.9	93.2
1981	970,498,000	+ 9.3	86.1	380,749,000	+ 5.7	98.9
1982	1,094,117,000	+12.7	89.4	360,041,000	− 5.4	113.5

**Before dividends to policyholders.*

Source: A.M. Best Company, Inc., Best's Aggregates & Averages.

BURGLARY AND THEFT INSURANCE

The burglary lines include coverages for loss of property (including money and securities) due to burglary, robbery and larceny, and loss of money and securities due to destruction or disappearance. Much of this coverage is now included in package policies. Countrywide, premium volume declined by 9.9 percent in 1982.

Burglary and Theft 1973-1982

Year	Premiums Written	Annual % Change	Combined Ratio*
1973	$130,524,000		81.1
1974	129,800,000	−0.6	87.9
1975	120,083,000	−7.5	86.9
1976	124,447,000	+3.6	78.0
1977	129,538,000	+4.1	71.3
1978	132,855,000	+2.6	70.5
1979	140,071,000	+5.4	78.1
1980	135,727,000	−3.1	88.8
1981	127,534,000	−6.0	92.9
1982	114,905,000	−9.9	94.5

**Before dividends to policyholders.*

Source: A.M. Best Company, Inc., Best's Aggregates & Averages.

BOILER AND MACHINERY INSURANCE

This specialized line covers a wide variety of power-producing equipment. Insurance companies place considerable emphasis on inspection and engineering techniques in the interest of safety. The growth of automation in industrial processes and the increased size and sophistication of production facilities have heightened the need for loss-preventive services. The boiler and machinery premium volume declined by about 1.8 percent in 1982.

Boiler and Machinery
1973-1982

Year	Premiums Written	Annual % Change	Combined Ratio*
1973	$136,698,000		92.7
1974	141,039,000	+ 3.2	103.5
1975	173,169,000	+22.8	96.2
1976	169,827,000	− 1.9	93.8
1977	216,772,000	+27.6	87.3
1978	255,873,000	+18.0	84.5
1979	282,795,000	+10.5	87.5
1980	292,624,000	+ 3.5	90.2
1981	298,320,000	+ 1.9	92.4
1982	292,845,000	− 1.8	100.3

**Before dividends to policyholders.*

Source: A.M. Best Company, Inc., Best's Aggregates & Averages.

GLASS INSURANCE

Architectural demands, merchandising trends and decorative constructional functions have contributed to an ever-increasing use of glass and a continuing need for glass insurance. With glass coverage included in many of the popular multiple peril package policies, premium volume for glass insurance dropped in 1982 for the fourth consecutive year.

Glass
1973-1982

Year	Premiums Written	Annual % Change	Combined Ratio*
1973	$36,792,000		97.6
1974	34,234,000	− 7.0	106.7
1975	32,155,000	− 6.1	109.7
1976	32,492,000	+ 1.0	100.5
1977	34,298,000	+ 5.6	95.2
1978	34,951,000	+ 1.9	99.3
1979	33,457,000	− 4.3	103.3
1980	32,248,000	− 3.6	110.3
1981	31,085,000	− 3.6	108.8
1982	28,814,000	− 7.3	105.2

**Before dividends to policyholders.*

Source: A.M. Best Company, Best's Aggregates & Averages.

INLAND MARINE INSURANCE

Inland marine insurance, originally developed to cover goods in transit by other than ocean vessels, today covers such instruments of transportation as bridges and tunnels as well as personal effects, personal property, jewelry, furs, fine arts and many other properties.

Inland marine premium volume increased 3.4 percent in 1982 despite continued diversion of personal property coverages to homeowners and other package forms.

Inland Marine
1973-1982

Year	Premiums Written	Annual % Change	Combined Ratio*
1973	$1,096,118,000		88.3
1974	1,169,305,000	+ 6.7	95.1
1975	1,266,138,000	+ 8.3	94.6
1976	1,444,450,000	+14.1	89.6
1977	1,606,518,000	+11.2	85.7
1978	1,867,189,000	+16.2	86.5
1979	2,061,306,000	+10.4	94.9
1980	2,291,294,000	+11.2	102.1
1981	2,427,692,000	+ 6.0	102.1
1982	2,509,999,000	+ 3.4	102.1

**Before dividends to policyholders.*

Source: A.M. Best Company, Inc., Best's Aggregates & Averages.

OCEAN MARINE INSURANCE

The American ocean marine hull and cargo market has gradually expanded in volume and capacity. Its growth reflects not only greater international trade but the increase in ownership of pleasure craft along the coastal and inland waterways. However, premium volume for ocean marine insurance declined slightly in 1982.

Ocean Marine
1973-1982

Year	Premiums Written	Annual % Change	Combined Ratio*
1973	$ 653,999,000		94.7
1974	765,379,000	+17.0	104.7
1975	860,960,000	+12.5	108.7
1976	902,408,000	+ 4.8	98.4
1977	971,456,000	+ 7.7	101.2
1978	1,000,203,000	+ 3.0	100.3
1979	1,008,816,000	+ 0.9	108.5
1980	1,064,798,000	+ 5.5	115.0
1981	1,126,766,000	+ 5.8	110.3
1982	1,100,596,000	− 2.3	112.9

**Before dividends to policyholders.*

Source: A.M. Best Company, Inc., Best's Aggregates & Averages.

NUCLEAR INSURANCE

Insurance against losses resulting from nuclear accidents is provided by three insurance company groups: the American Nuclear Insurers, the Mutual Atomic Energy Liability Underwriters and the MAERP Reinsurance Association. Coverage against nuclear losses through the pools has been available since 1957.

Together the nuclear pools make available to any nuclear facility:

- Up to $160 million of liability coverage (bodily injury and property damage combined) and $30 million of contingent liability. These coverages provide financial protection for the general public.
- Up to $568 million of insurance to cover damage to the property of nuclear facility operators on an "all-risk" basis.

For both forms of coverage, premium volume has been increasing steadily over the years. An estimated $30.9 million in liability premiums in 1982 represented a rise of more than 12 percent from the 1981 total. Property insurance premiums jumped by more than 33 percent to a record $98.8 million.

A large share of the liability premium income of the pools has been returned to the nuclear facilities annually in the form of refunds. Under a program known as the Industry Credit Rating Plan, approximately 70 percent of liability premium income is placed in a reserve fund used only for loss or loss expense payments. That portion not used during a period of 10 years is refunded to the insureds. More than $2.3 million was refunded in 1982 and another $3.2 million in 1983, bringing to nearly $23.9 million the amount returned to the facilities since 1967.

The following table shows the premium income since 1957 for the nuclear insurance domestic liability and property insurance pools.

Nuclear Insurance Premiums, 1957-1982

Year	Liability Premium	% Annual Change, 1977-1982	Property Premium	% Annual Change, 1977-1982
1957-1975	$74,006,812 *		$117,094,889*	
1976	15,351,874		25,520,449	
1977	17,532,802	+14.2	28,773,664	+12.7
1978	19,184,000	+ 9.4	30,702,774	+ 6.7
1979	20,316,309	+ 5.9	40,199,176	+30.9
1980	23,002,157	+13.2	61,353,439	+52.6
1981	27,521,486	+19.6	74,263,992	+20.0
1982	30,900,000**	+12.3	98,826,043	+33.1

**Represents gross written premium from inception to Nov. 30, 1975.*

***Estimated.*

Source: American Nuclear Insurers.

DIRECT WRITTEN PREMIUMS BY STATE

Direct premiums written by property and casualty insurance companies in 1982 totaled about $105 billion, an increase of 4 percent over the 1981 total. Data provided by A.M. Best Company (representing about 98 percent of the nation's total insurance market) provided the basis for the tabulations that follow of premiums by state and by line.

The direct written premium total included $102,090,152,000 in premiums for the various property and casualty coverages and $2,944,630,000 in accident and health insurance premiums.

The totals differ slightly from the premium totals shown elsewhere in Insurance Facts because the tabulations presented here are based on direct premiums written and those used elsewhere are based on net premiums written. Direct written premiums are the amounts actually paid by the policyholders. Net written premiums reflect additional exchanges of premiums among insurance companies which contract, through a process known as reinsurance, to absorb specified portions of each other's losses.

Direct Written Premiums by State, 1982
(000 omitted)

State	All Lines' Total	State	All Lines' Total
Alabama	$ 1,264,959	Montana	$ 343,354
Alaska	376,401	Nebraska	729,758
Arizona	1,201,037	Nevada	432,357
Arkansas	829,842	New Hampshire	486,013
California	13,256,301	New Jersey	4,666,880
Colorado	1,388,573	New Mexico	561,948
Connecticut	1,931,826	New York	8,687,768
Delaware	264,836	North Carolina	1,906,936
District of Columbia	352,254	North Dakota	308,533
Florida	4,478,858	Ohio	4,009,474
Georgia	2,091,793	Oklahoma	1,613,498
Hawaii	514,041	Oregon	1,111,344
Idaho	371,431	Pennsylvania	5,397,895
Illinois	5,361,594	Rhode Island	465,633
Indiana	1,854,300	South Carolina	1,121,514
Iowa	1,289,165	South Dakota	263,616
Kansas	1,139,928	Tennessee	1,592,077
Kentucky	1,268,248	Texas	8,159,083
Louisiana	2,473,614	Utah	452,568
Maine	487,789	Vermont	227,618
Maryland	1,911,050	Virginia	2,003,621
Massachusetts	3,252,257	Washington	1,575,470
Michigan	4,041,302	West Virginia	577,571
Minnesota	2,116,383	Wisconsin	1,756,949
Mississippi	858,511	Wyoming	221,085
Missouri	1,945,925	Countrywide	$105,034,782

Source: A.M. Best Company, Inc., Best's Executive Data Service.

Direct Written Premiums, Selected Lines — 1982
(000 omitted)

State	Pvt. Pass. Automobile Liability	Commercial Automobile Liability	Pvt. Pass. Automobile Phys. Dmg.	Commercial Automobile Phys. Dmg.	Homeowners	Farmowners
Alabama	$ 187,507	$ 59,637	$ 228,514	$ 38,875	$ 192,672	$ 14,839
Alaska	36,518	17,249	33,405	8,879	29,173	7
Arizona	279,956	51,480	193,115	24,822	148,412	2,981
Arkansas	122,617	43,125	126,603	29,342	114,617	5,881
California	2,842,730	530,687	1,919,690	236,229	1,423,840	39,945
Colorado	284,176	66,572	242,450	44,449	168,538	11,230
Connecticut	408,107	102,024	231,008	39,078	226,418	872
Delaware	59,197	12,159	38,688	6,810	28,950	1,479
Dist. of Col.	39,479	10,562	27,764	3,244	23,801	1
Florida	1,120,616	243,522	644,207	102,794	523,137	6,586
Georgia	432,253	110,073	329,467	59,713	254,484	21,621
Hawaii	114,783	28,427	65,349	12,138	35,223	2
Idaho	64,805	18,941	56,610	12,855	35,818	10,969
Illinois	966,709	210,627	724,029	112,751	565,475	55,745
Indiana	338,893	91,757	308,764	65,612	286,661	48,198
Iowa	210,664	60,486	167,480	41,468	125,699	26,279
Kansas	193,391	46,984	175,037	39,084	148,286	31,378
Kentucky	218,034	51,199	188,141	38,595	145,958	38,120
Louisiana	421,164	152,348	312,350	67,824	272,374	1,443
Maine	70,090	23,424	59,345	14,221	68,537	751
Maryland	509,101	95,870	259,010	38,452	192,603	6,465
Massachusetts	709,151	160,058	563,513	95,724	439,797	530
Michigan	736,985	125,292	787,790	100,143	480,135	42,459
Minnesota	421,263	88,007	242,852	54,255	246,271	23,005
Mississippi	117,930	50,080	138,198	32,508	114,521	450
Missouri	350,283	89,248	317,601	52,311	245,101	30,769
Montana	59,923	19,997	52,163	17,361	35,533	8,596
Nebraska	98,083	34,555	99,277	28,232	78,339	21,545
Nevada	119,254	16,868	74,737	8,815	55,132	1,421
New Hampshire	91,643	22,377	77,382	15,357	69,974	151
New Jersey	1,409,721	243,339	569,416	112,114	426,627	589
New Mexico	84,281	23,453	92,840	17,892	63,071	4,338
New York	1,828,004	457,292	926,119	179,195	915,446	5,315
North Carolina	435,141	109,738	287,083	54,169	255,308	16,508
North Dakota	46,538	12,406	44,629	13,038	25,074	14,149
Ohio	809,097	175,766	616,604	100,539	517,944	27,243
Oklahoma	205,517	81,530	242,085	70,032	213,951	24,453
Oregon	256,709	53,975	165,863	27,866	120,021	13,233
Pennsylvania	1,298,101	247,359	701,001	128,693	511,867	12,011
Rhode Island	87,397	21,473	64,755	10,442	60,680	26
South Carolina	280,832	47,922	182,001	24,126	155,159	2,886
South Dakota	39,959	13,009	35,401	11,280	20,277	10,960
Tennessee	289,084	75,641	246,490	40,373	235,194	20,286
Texas	1,160,705	441,903	1,287,457	289,104	884,920	27,943
Utah	94,156	25,833	82,703	16,981	52,683	2,214
Vermont	34,826	10,167	35,167	7,675	33,706	5,317
Virginia	492,241	105,643	301,634	47,494	213,789	9,573
Washington	396,208	70,908	248,679	38,742	222,676	15,342
West Virginia	141,128	31,195	127,594	19,474	75,279	2,632
Wisconsin	353,396	83,640	232,216	45,228	185,974	36,219
Wyoming	31,314	10,620	46,843	12,044	26,946	4,226
Totals	$21,399,709	$4,976,447	$15,221,115	$2,708,439	$11,992,071	$709,178

Source: A.M. Best Company, Inc., Best's Executive Data Service.

Direct Written Premiums, Selected Lines — 1982
(000 omitted)

State	Commercial Multi-Peril	Workers' Compensation	Medical Malpractice	Other Liability	Fire	Allied Lines
Alabama	$ 84,788	$ 170,074	$ 20,292	$ 75,011	$ 51,191	$ 18,821
Alaska	26,088	117,771	3,198	29,437	9,185	1,956
Arizona	100,230	150,966*	35,504	73,509	21,009	18,823
Arkansas	56,846	137,579	9,276	39,875	40,023	24,073
California	1,141,613	2,444,777*	296,517	819,501	296,757	134,579
Colorado	132,377	129,973*	29,559	92,513	22,680	25,880
Connecticut	144,343	375,976	39,947	148,203	36,402	16,729
Delaware	16,104	36,171	5,004	18,808	6,494	3,111
Dist. of Col.	29,552	98,455	7,735	34,949	8,677	3,393
Florida	363,177	502,448	76,843	270,795	77,191	55,255
Georgia	135,159	314,629	30,376	105,331	60,999	28,548
Hawaii	28,184	134,224	4,068	33,598	12,088	5,058
Idaho	30,482	55,818*	5,423	25,060	9,602	11,140
Illinois	429,087	764,106	118,173	481,416	123,750	121,744
Indiana	177,851	136,641	23,420	114,902	56,198	34,197
Iowa	86,358	173,694	20,049	106,732	36,968	120,675
Kansas	78,045	154,951	10,250	61,309	29,515	55,636
Kentucky	87,779	211,635	17,090	69,644	40,805	22,970
Louisiana	133,124	481,631	21,986	198,532	79,463	48,989
Maine	35,707	124,326	9,250	24,133	18,238	5,221
Maryland	129,411	328,580*	42,426	100,344	42,268	15,751
Massachusetts	231,050	510,160	8,710	193,622	74,701	28,791
Michigan	324,499	522,410*	79,737	484,621	77,348	31,223
Minnesota	153,801	354,120	30,012	147,161	41,573	103,585
Mississippi	41,724	115,724	9,212	46,080	63,908	32,938
Missouri	154,826	209,125	31,262	127,663	55,847	40,160
Montana	33,012	35,432*	5,515	17,894	9,033	22,195
Nebraska	54,907	84,549	6,294	41,833	22,934	73,928
Nevada	48,713	1,889*	5,454	32,334	9,378	5,306
New Hampshire	32,393	91,097	1,564	27,332	14,183	4,618
New Jersey	348,354	810,147	67,544	294,320	73,470	32,025
New Mexico	41,999	133,229	1,667	31,944	12,470	9,053
New York	838,666	881,244*	271,923	843,575	212,472	60,410
North Carolina	108,596	257,409	22,749	82,062	65,461	51,403
North Dakota	23,115	309*	5,403	18,784	10,975	60,037
Ohio	338,675	1,215*	82,124	279,906	112,886	55,903
Oklahoma	111,930	290,161*	12,765	117,848	40,025	43,033
Oregon	86,732	141,632*	19,596	67,178	33,528	16,889
Pennsylvania	376,119	1,108,068*	83,270	359,277	152,440	42,049
Rhode Island	36,268	92,693	1,461	26,521	10,994	4,587
South Carolina	68,680	158,102	3,044	43,782	43,896	20,359
South Dakota	20,125	27,197	4,340	15,501	8,826	26,407
Tennessee	125,506	219,989	28,008	85,255	55,214	20,945
Texas	394,066	1,590,883	65,396	577,068	284,938	233,456
Utah	39,082	37,342*	7,689	26,502	8,924	3,850
Vermont	24,257	28,716	3,123	15,157	9,021	3,140
Virginia	128,269	322,142	35,270	106,706	53,493	21,782
Washington	140,407	34,024*	34,746	105,048	44,645	23,845
West Virginia	41,883	1,653*	14,424	35,461	26,874	6,824
Wisconsin	137,756	290,636	9,625	117,665	39,792	28,631
Wyoming	24,808	2,212*	2,042	19,655	6,167	4,559
Totals	$7,976,524	$15,397,932*	$1,780,352	$7,311,357	$2,754,922	$1,884,479

**Does not include premiums written by state workers' compensation insurance funds.*

Source: A.M. Best Company, Inc., Best's Executive Data Service.

Direct Written Premiums, Selected Lines — 1982
(000 omitted)

State	Inland Marine	Ocean Marine	Surety	Fidelity	Burglary & Theft	Boiler & Machinery
Alabama	$ 39,089	$ 9,021	$ 15,629	$ 5,388	$ 1,260	$ 5,492
Alaska	12,802	12,443	13,034	793	103	1,992
Arizona	27,194	1,597	22,163	3,102	678	2,629
Arkansas	29,590	2,069	9,020	4,177	706	3,239
California	370,841	97,746	161,887	35,104	8,889	23,971
Colorado	44,901	1,328	26,668	6,280	1,423	3,947
Connecticut	56,598	11,353	15,049	8,736	2,069	6,773
Delaware	6,589	2,478	3,488	767	353	1,173
Dist. of Col.	12,128	1,326	10,558	6,365	686	1,794
Florida	136,201	45,104	79,788	16,157	5,077	15,530
Georgia	71,014	8,675	24,117	8,816	2,293	6,952
Hawaii	8,345	5,123	8,112	1,499	870	1,629
Idaho	12,284	570	4,672	1,095	139	1,209
Illinois	134,002	26,971	47,708	27,560	6,605	24,396
Indiana	47,834	4,126	20,151	8,400	1,842	8,089
Iowa	36,271	1,694	9,348	5,723	1,456	4,801
Kansas	36,218	1,175	13,342	5,592	1,140	3,589
Kentucky	36,776	5,383	16,867	6,028	1,121	5,244
Louisiana	73,588	77,174	34,402	7,175	1,717	14,192
Maine	11,726	4,960	3,586	1,778	472	2,360
Maryland	46,228	9,735	24,871	6,947	2,229	7,880
Massachusetts	75,366	27,440	32,194	11,554	3,071	12,382
Michigan	78,356	14,961	28,504	12,419	3,036	11,832
Minnesota	56,068	14,098	20,749	10,018	1,799	7,074
Mississippi	33,046	4,650	9,987	3,523	1,514	3,463
Missouri	68,443	25,870	20,512	8,909	2,771	6,643
Montana	9,122	273	4,761	1,586	255	593
Nebraska	26,850	2,042	7,996	3,720	881	3,225
Nevada	21,002	637	9,447	1,193	677	1,200
New Hampshire	10,526	2,258	3,339	1,465	468	1,569
New Jersey	95,678	18,706	34,739	13,603	4,904	16,209
New Mexico	14,373	344	9,161	1,501	308	1,504
New York	294,226	428,882	91,153	56,200	14,762	27,994
North Carolina	56,501	7,419	15,720	6,427	2,281	6,817
North Dakota	10,214	106	4,722	1,388	252	2,675
Ohio	110,425	15,751	37,039	15,020	6,899	16,270
Oklahoma	64,790	5,995	18,292	6,692	1,215	3,367
Oregon	33,864	15,135	16,386	3,869	1,197	3,600
Pennsylvania	115,589	18,088	50,839	21,657	4,968	25,240
Rhode Island	24,951	4,208	4,738	1,725	443	1,720
South Carolina	29,336	4,018	12,328	2,870	936	4,269
South Dakota	7,038	90	3,377	1,273	282	846
Tennessee	45,450	5,302	18,246	8,122	1,334	6,450
Texas	310,395	104,548	101,262	29,409	7,590	22,988
Utah	12,603	677	10,556	2,377	243	1,155
Vermont	5,244	656	2,022	851	213	984
Virginia	46,838	10,928	25,612	6,504	1,964	7,904
Washington	58,327	38,792	30,056	5,790	1,636	5,632
West Virginia	16,774	1,076	8,364	2,521	652	2,539
Wisconsin	54,432	4,429	11,557	6,996	3,543	10,867
Wyoming	8,976	256	7,261	957	149	1,283
Totals	$3,045,022	$1,107,983	$1,215,381	$417,624	$111,373	$365,174

Source: A.M. Best Company, Inc., Best's Executive Data Service.

Direct Written Premiums, Selected Lines — 1982
(000 omitted)

State	Glass	Aircraft	Earthquake	Credit	Accident & Health	Miscellaneous
Alabama	$ 238	$ 6,198	$ 60	$ 942	$ 24,812	$ 14,610
Alaska	26	9,684	648	475	2,101	9,434
Arizona	200	10,169	322	162	21,251	10,765
Arkansas	184	6,149	340	365	14,567	9,582
California	4,076	65,936	62,897	10,247	216,059	111,733
Colorado	319	12,340	653	800	26,838	12,680
Connecticut	374	12,702	408	1,151	38,243	9,261
Delaware	76	1,923	53	231	12,908	1,820
Dist. of Col.	59	4,821	35	65	22,324	4,479
Florida	766	23,933	563	3,692	98,792	66,685
Georgia	269	11,927	234	2,311	46,724	25,806
Hawaii	264	2,383	363	– 20	7,261	5,068
Idaho	53	3,049	101	210	7,668	2,859
Illinois	2,824	25,278	821	4,149	338,822	48,847
Indiana	554	6,580	322	1,210	55,339	16,759
Iowa	589	5,143	121	628	36,841	9,999
Kansas	437	12,941	193	520	31,020	9,897
Kentucky	236	4,528	353	719	19,732	40,991
Louisiana	325	17,029	101	3,246	27,741	25,696
Maine	105	1,218	73	309	6,033	1,926
Maryland	418	4,454	127	1,837	26,021	20,020
Massachusetts	1,150	5,517	700	4,284	43,769	19,021
Michigan	866	15,439	437	2,771	60,603	19,436
Minnesota	335	13,000	139	1,991	77,129	8,080
Mississippi	174	4,359	154	2,224	23,291	8,856
Missouri	595	12,013	1,292	1,294	78,562	14,825
Montana	71	3,453	68	133	4,645	1,739
Nebraska	238	4,870	118	137	28,559	6,645
Nevada	93	5,437	260	270	10,228	2,615
New Hampshire	126	2,033	107	292	13,308	2,451
New Jersey	1,362	11,478	440	3,297	60,979	17,819
New Mexico	92	3,688	143	231	8,399	5,969
New York	3,065	29,513	1,012	15,328	248,945	57,029
North Carolina	348	8,597	261	1,854	34,584	19,499
North Dakota	74	1,861	64	36	12,683	2
Ohio	1,229	17,766	832	3,043	625,836	41,463
Oklahoma	362	15,044	398	642	24,804	18,568
Oregon	389	8,568	568	1,235	15,079	8,231
Pennsylvania	1,322	16,376	423	4,248	82,070	36,819
Rhode Island	101	767	89	588	4,721	4,283
South Carolina	199	4,111	554	258	17,232	14,614
South Dakota	107	1,341	17	117	14,565	1,282
Tennessee	194	7,021	850	1,558	38,830	16,736
Texas	1,576	67,546	567	5,719	161,907	107,736
Utah	99	7,459	268	286	13,899	4,986
Vermont	48	773	54	99	5,190	1,213
Virginia	762	6,045	120	957	36,249	21,703
Washington	571	13,011	1,285	658	25,291	19,151
West Virginia	262	2,373	34	289	11,284	6,981
Wisconsin	736	7,079	128	2,121	76,609	17,674
Wyoming	40	3,117	50	129	3,282	4,151
Totals	$28,978	$548,038	$80,219	$89,341	$2,944,630	$968,497

Source: A.M. Best Company, Inc., Best's Executive Data Service.

PREMIUM TAXES

Insurance companies—including life, health and property/casualty companies—paid more than $3.4 billion in premium taxes to the 50 states and the District of Columbia in 1982—an increase of about 4 percent over the 1981 total. Approximately 47 percent of this amount was paid by property/casualty companies.

Premium taxes actually are taxes on gross income, and as such amount to an additional form of taxation on policyholders. Additional payments are made to states for licenses and fees, property taxes, sales and use taxes, unemployment compensation taxes, and in a few states, income and franchise taxes. Premium taxes accounted for about 2.1 percent of all taxes collected by the states during 1982.

Premium Taxes by State
1982

Alabama	$ 71,696,000	Montana	$ 20,318,000
Alaska	13,504,000	Nebraska	22,866,000
Arizona	22,000,000	Nevada	14,869,000
Arkansas	35,307,000	New Hampshire	15,523,000
California	483,860,000	New Jersey	113,405,000
Colorado	46,660,000	New Mexico	21,716,000
Connecticut	72,398,000	New York	197,608,000
Delaware	13,405,000	North Carolina	93,239,000
District of Columbia	16,436,000	North Dakota	10,215,000
Florida	112,775,000	Ohio	156,829,000
Georgia	74,901,000	Oklahoma	71,715,000
Hawaii	27,713,000	Oregon	34,261,000
Idaho	16,915,000	Pennsylvania	179,770,000
Illinois	78,484,000	Rhode Island	15,759,000
Indiana	56,467,000	South Carolina	46,628,000
Iowa	71,410,000	South Dakota	14,874,000
Kansas	38,850,000	Tennessee	68,834,000
Kentucky	93,394,000	Texas	200,115,000
Louisiana	100,374,000	Utah	20,226,000
Maine	14,824,000	Vermont	6,964,000
Maryland	63,148,000	Virginia	84,431,000
Massachusetts	122,218,000	Washington	47,182,000
Michigan	96,617,000	West Virginia	32,808,000
Minnesota	75,776,000	Wisconsin	47,477,000
Mississippi	41,456,000	Wyoming	5,901,000
Missouri	69,868,000	Total	$3,457,553,000

Source: U.S. Bureau of Census, Department of Commerce.

INSURANCE GUARANTY FUNDS

All 50 states, the District of Columbia and Puerto Rico have established procedures under which solvent property and casualty insurance companies absorb losses of claimants against insolvent insurers. New York for many years has had a pre-assessment fund law which requires the permanent maintenance of an insolvency fund (to which companies contribute) with a statutory $200 million ceiling. The other jurisdictions have set up insurance guaranty associations through which solvent companies pay assessments as needed, on a proportionate basis.

From the inception of the post-assessment funds in 1969 through December 1982, the associations have assessed insurers more than $404 million to cover 80 property and casualty insurance company insolvencies, including nine in 1981.

The figures do not include assessments made under New York's pre-assessment insolvency fund nor payments made by individual companies under the insolvency provision of the uninsured motorist endorsement to auto insurance policies. They also do not take into consideration recoupments available in some states through premium tax offsets and policyholder surcharges.

Guaranty Fund Assessments by State, 1969-1982

State	Amount Assessed All Companies	State	Amount Assessed All Companies
Alabama	$ 224,040	Nebraska	$ 3,537,259
Alaska	2,359,182	Nevada	2,713,823
Arizona	3,553,000	New Hampshire	665,518
Arkansas	199,447	New Jersey	9,982,636
California	106,227,005	New Mexico	900,389
Colorado	2,622,720	North Carolina	1,008,287
Connecticut	4,392,604	North Dakota	7,017
Delaware	239,723	Ohio	9,709,650
District of Columbia	219,309	Oklahoma	196,883
Florida	84,201,351	Oregon	1,598,508
Georgia	7,722,672	Pennsylvania	23,475,562
Hawaii	1,199,493	Rhode Island	1,620,766
Idaho	683,151	South Carolina	1,081,401
Illinois	21,848,976	South Dakoka	152,588
Indiana	1,229,862	Tennessee	700,396
Iowa	2,713,705	Texas	10,441,800
Kansas	1,347,522	Utah	120,182
Kentucky	3,264,985	Vermont	188,597
Louisiana	5,830,857	Virginia	629,429
Maine	301,565	Washington	2,341,710
Maryland	3,800,576	West Virginia	1,509,329
Massachusetts	17,148,548	Wisconsin	2,427,014
Michigan	17,668,982	Wyoming	137,390
Minnesota	9,387,764	Puerto Rico	26,570,308
Mississippi	1,829,266		
Missouri	1,817,570	Total	$404,835,567
Montana	1,085,350		

Source: National Committee on Insurance Guaranty Funds.

THE AUTOMOBILE SHARED MARKET

The insurance industry has established mechanisms in every state to provide coverage for drivers who, for whatever reason, are unable to obtain insurance in the voluntary market. The first of the shared market mechanisms was established in New Hampshire in 1938. Today, all 50 states and the District of Columbia use one of four systems to guarantee the availability of auto insurance.

- Automobile Insurance Plan—Auto insurance applicants unable to obtain coverage in the competitive market are distributed to insurance companies in proportion to the amount of business each insurer writes voluntarily in the state. Each insurer services the policyholders as it services other customers.
- Joint Underwriting Association—JUAs are pooling mechanisms where all companies share in the profits and losses as well as expenses incurred. Agents submit applications to several companies which have agreed to issue and service policies.
- Reinsurance Facility—Under this pooling system, each auto insurer is required to provide coverage and service the claims for any applicant, but is permitted to transfer a percentage of its policies to the facility. Profits or losses are shared by all insurers licensed in the state.
- State Fund—Maryland established a state funded mechanism in 1973. Private insurers don't participate directly in the Maryland Automobile Insurance Fund, but are required by law to subsidize any losses from the operation, with the cost being charged back against their own policyholders.

Although only a small percentage of cars is insured through the shared market, many of the mechanisms have been loss producers for a number of years. The Automobile Insurance Plans Service Office (AIPSO), which gathers statistics and provides services for most of the jurisdictions, estimates that total shared market underwriting losses in 1982 exceeded $1.1 billion. AIPSO places shared market underwriting deficits at nearly $5.8 billion for the 10-year period 1973-1982. The New Jersey Automobile Insurance Plan and the Massachusetts Facility accounted for $3.4 billion, or 59 percent, of the losses during that 10-year period.

AIPSO data reflect decreases from 1981 to 1982 in the numbers of cars insured through the shared market mechanisms of 43 states and the District of Columbia. However, the number of cars insured through the plans countrywide rose by nearly 2 percent, primarily because of sizeable increases in Texas, Michigan, Massachusetts and New Hampshire. In 1981, just over 6 percent of all insured autos were insured through the shared market facilities. State by state data are tabulated on the next page.

Private Passenger Cars Insured Through the Voluntary Market and Shared Market Mechanisms (Written Car Years)

State	Insured in Voluntary Market, 1981	Insured in Shared Market, 1981	% of Insured Autos in Shared Market, 1981	Insured in Shared Market, 1982	% Change, No. of Autos in Shared Market, 1981-1982
Alabama	1,605,538	9,281	0.57	6,832	−26.4
Alaska	152,415	2,627	1.70	1,954	−25.6
Arizona	1,248,576	934	0.07	259	−72.3
Arkansas	1,022,101	4,174	0.41	2,837	−32.0
California	10,890,585	213,233	1.92	157,518	−26.1
Colorado	1,717,248	772	0.05	743	− 3.8
Connecticut	1,493,824	205,783	12.11	174,953	−15.0
Delaware	308,665	28,204	8.37	18,519	−34.3
District of Columbia	149,930	2,602	1.7	2,067	−20.6
Florida	4,418,163	199,769	4.33	160,612	−19.6
Georgia	2,640,661	69,802	2.58	36,424	−47.8
Hawaii	466,976	5,629	1.19	2,673	−52.5
Idaho	575,136	349	0.06	298	−14.6
Illinois	5,004,037	11,571	0.23	6,839	−40.9
Indiana	2,527,282	1,862	0.07	1,201	−35.5
Iowa	1,658,379	1,281	0.08	806	−37.1
Kansas	1,478,915	50,576	3.34	34,150	−32.5
Kentucky	1,794,449	21,704	1.20	19,487	−10.2
Louisiana	1,618,716	121,736	7.00	70,824	−41.8
Maine	494,520	11,106	2.20	6,783	−38.9
Maryland	2,156,583	59,948	2.71	53,896	−10.1
Massachusetts	1,488,252	1,295,349	46.54	1,473,993	+13.8
Michigan	4,781,163	83,796	1.72	103,118	+23.1
Minnesota	2,314,326	17,728	0.76	7,167	−59.6
Mississippi	897,645	12,860	1.41	10,117	−21.3
Missouri	2,444,706	8,042	0.33	4,713	−41.4
Montana	534,328	447	0.08	347	−22.4
Nebraska	929,307	916	0.10	634	−30.8
Nevada	535,949	697	0.13	422	−39.5
New Hampshire	358,739	118,077	24.76	133,462	+13.0
New Jersey	2,384,297	1,373,637	36.55	1,445,595	+ 5.2
New Mexico	581,463	874	0.15	733	−16.1
New York	5,753,328	815,283	12.41	807,697	− 0.9
North Carolina	2,497,013	839,592	25.16	848,348	+ 1.1
North Dakota	429,797	1,242	0.29	859	−30.8
Ohio	5,311,273	2,039	0.04	1,388	−31.9
Oklahoma	1,613,904	2,449	0.15	2,227	− 9.1
Oregon	1,505,915	603	0.04	335	−44.4
Pennsylvania	5,423,863	205,565	3.65	159,230	−22.5
Rhode Island	364,966	32,757	8.24	29,924	− 8.6
South Carolina	1,179,640	250,324	17.51	255,569	+ 2.1
South Dakota	401,506	686	0.17	402	−41.4
Tennessee	2,049,913	37,298	1.79	24,390	−34.6
Texas	5,895,607	253,686	4.13	484,046	+90.8
Utah	747,259	38	0.01	36	− 5.3
Vermont	227,079	9,553	4.04	7,262	−24.0
Virginia	2,751,024	168,970	5.79	122,437	−27.5
Washington	2,274,084	16,248	0.71	10,865	−33.1
West Virginia	879,604	12,908	1.45	9,702	−24.8
Wisconsin	2,349,128	2,958	0.13	2,131	−28.0
Wyoming	300,020	561	0.19	550	− 2.0
Countrywide	102,627,797	6,588,126	6.03	6,707,374	+ 1.8

Source: Automobile Insurance Plans Service Office.

INSURANCE THROUGH FAIR, WINDSTORM PLANS

A "softer" standard insurance market continued in 1982 to attract business away from the special Fair Access to Insurance Requirements (FAIR) Plans which provide insurance to many property owners in inner city and other high-risk areas in 26 states, the District of Columbia and Puerto Rico. The industry-operated FAIR plans first came into existence in the late 1960s to make property insurance coverages more readily available to property owners who often had difficulty obtaining insurance because of abnormal exposure to threatening hazards over which they had no control.

The Property Insurance Plans Service Office, which provides administrative services to the plans, said the 27 jurisdictions from which data were available issued 860,440 policies in 1982, 8.3 percent fewer than in the preceding year. New applicants accounted for only 16.4 percent of the policies issued.

A 22 percent decline in commercial business accounted for most of a 10.8 percent drop in written premium volume, to $168.6 million from $189 million in 1981. Residential premiums were down only 1.3 percent. The plans sustained statutory underwriting losses of nearly $62 million in 1982, a decrease of 15 percent from 1981.

At the end of 1982, the 24 plans from which such data were available were providing about $30.3 billion of coverage, a 14.9 percent decline from the amount of coverage in force a year earlier.

Beach and windstorm plans which operate in seven states along the Atlantic and Gulf Coasts where vulnerability to severe windstorm damage is especially high recorded slightly increased activity in 1982. The number of policies issued was up only 0.3 percent, although the $6.2 billion of insurance in force at year end was 9.8 percent higher than the total at the end of 1981. The seven plans collectively recorded a statutory underwriting gain of nearly $15.2 million in 1982, a 12.2 percent increase over that of 1981.

Insurance Provided by FAIR Plans

Jurisdiction	Applications, 1982 New	Applications, 1982 Renewal	Binders or Policies Issued, 1982 New	Binders or Policies Issued, 1982 Renewal	Insurance in Force 12/31/82 (000 omitted)
California	27,311	100,127	13,090	95,622	$ 9,666,255
Connecticut	2,208	7,051	1,240	6,020	332,786
Delaware	1,219	3,244	524	2,749	54,040
District of Columbia	1,895	7,168	756	7,198	473,708
Georgia	2,258	4,179	983	4,029	138,039
Illinois	10,035	52,966	4,150	46,113	1,442,631
Indiana	678	2,788	368	2,632	57,661
Iowa	372	1,070	231	1,060	*
Kansas	4,305	8,586	2,851	8,575	171,444

Insurance Through FAIR, Windstorm Plans (continued)

Jurisdiction	Applications, 1982 New	Applications, 1982 Renewal	Binders or Policies Issued, 1982 New	Binders or Policies Issued, 1982 Renewal	Insurance in Force 12/31/82 (000 omitted)
Kentucky	2,799	12,818	2,648	11,554	$ 176,004
Louisiana	814	2,626	274	2,579	*
Maryland	5,730	21,683	3,750	19,467	364,437
Massachusetts	25,376	65,208	16,459	61,845	1,896,247
Michigan	31,897	138,396	30,323	1[illegible],895	5,235,126
Minnesota	576	1,193	365	1,049	60,146
Missouri	8,961	29,531	2,786	25,097	424,200
New Jersey	18,370	68,849	10,458	60,072	2,378,496
New Mexico	946	1,478	764	1,329	67,371
New York	17,790	81,720	19,338	81,720	3,919,000
North Carolina	5,438	10,207	1,550	9,350	267,958
Ohio	5,247	19,600	3,424	19,380	356,956
Oregon	1,309	3,764	1,145	3,764	*
Pennsylvania	30,214	105,392	14,589	84,755	2,013,311
Puerto Rico	*	*	*	*	*
Rhode Island	3,671	10,395	2,824	9,016	276,328
Virginia	4,749	13,627	2,822	12,473	254,388
Washington	53	766	24	753	46,051
Wisconsin	4,616	9,967	3,641	9,967	278,225
Totals	218,837	784,399	141,377	719,063	$30,350,808

**Not Available.*

Source: Property Insurance Plans Service Office.

Insurance Provided by Beach and Windstorm Plans

State	Applications, 1982 New	Applications, 1982 Renewal	Binders or Policies Issued, 1982 New	Binders or Policies Issued, 1982 Renewal	Insurance in Force 12/31/82 (000 omitted)
Alabama	413	2,257	356	2,257	$ 113,301
Florida	6,766	31,492	5,714	29,909	2,703,821
Louisiana	1,403	*	7,937	+	190,563
Mississippi	957	5,140	889	5,285	125,337
North Carolina	1,395	5,623	983	5,304	309,627
South Carolina	827	4,097	820	3,935	275,836
Texas	54,429	+	37,857	+	2,447,742
Totals	66,190	48,609	54,556	46,690	$6,166,227

**Not Available.*

+ Included with New.

Source: Property Insurance Plans Service Office.

FLOOD INSURANCE IN THE U.S.

Flood insurance is available in every state, Puerto Rico, Guam and the Virgin Islands under a program developed jointly by the insurance business and the Federal Insurance Administration. The program is now administered solely by the FIA.

In the 18 months from Dec. 31, 1981, to June 30, 1983, the number of flood insurance policies in force increased by 1.6 percent from 1,864,949 to 1,895,606. The total amount of coverage in force rose by 10.6 percent from just over $99 billion to more than $109.5 billion.

An estimated 20,000 locations across the country are considered to be flood-prone. Under the Flood Disaster Protection Act of 1973, communities which are formally notified of their eligibility by the FIA have 12 months in which to agree to participate in the program and to take steps to minimize future flood damage. Residents of flood-prone communities which fail to participate and property owners who fail to purchase available flood insurance are ineligible for federal flood disaster assistance. Some 17,446 communities had qualified for the coverage as of June 30, 1983.

Flood Insurance in the U.S.*

State	No. of Communities	Policies in Force			Insurance in Force (000 omitted)		
		Dwelling	Business and Other	Total	Dwelling	Business and Other	Total**
Alabama	268	12,563	2,296	14,859	$ 571,067	$206,734	$ 777,801
Alaska	18	3,291	198	3,489	173,664	22,642	196,306
Arizona	81	21,063	2,114	23,177	1,018,576	173,617	1,192,193
Arkansas	324	5,718	1,055	6,773	172,502	59,766	232,269
California	435	92,825	8,352	101,177	5,583,881	657,317	6,241,198
Colorado	205	7,122	1,730	8,852	331,214	149,705	480,919
Connecticut	182	12,743	2,690	15,433	609,715	225,680	835,396
Delaware	42	4,293	498	4,791	284,788	54,949	339,737
District of Columbia	1	18	24	42	606	2,085	2,691
Florida	358	446,163	87,600	533,763	28,315,266	6,618,547	34,933,813
Georgia	297	13,837	1,080	14,917	648,665	73,407	722,072
Hawaii	4	4,953	1,653	6,606	341,598	192,584	534,182
Idaho	136	2,063	251	2,314	87,491	18,022	105,513
Illinois	727	22,446	2,609	25,055	699,426	140,122	839,548
Indiana	342	11,161	1,003	12,164	324,919	52,049	376,968
Iowa	370	6,021	731	6,752	164,102	47,841	211,943
Kansas	303	6,596	899	7,495	190,210	52,574	242,783
Kentucky	233	14,108	2,911	17,019	449,072	199,477	648,548
Louisiana	264	216,893	17,827	234,720	11,761,681	1,550,067	13,311,748
Maine	952	4,023	993	5,016	119,670	48,839	168,509

**As of June 30, 1983.*

***Some totals do not balance because of rounding.*

Flood Insurance in the U.S. (Continued)*

State	No. of Communities	Policies in Force Dwelling	Policies in Force Business and Other	Policies in Force Total	Insurance in Force (000 omitted) Dwelling	Insurance in Force (000 omitted) Business and Other	Insurance in Force (000 omitted) Total**
Maryland	111	11,862	2,722	14,584	$ 518,313	$ 287,701	$ 806,015
Massachusetts	319	21,323	3,182	24,505	860,814	239,170	1,099,983
Michigan	534	10,278	988	11,266	339,588	60,286	399,873
Minnesota	458	5,878	976	6,854	183,790	77,623	261,503
Mississippi	260	33,145	4,859	38,004	1,411,389	358,813	1,770,202
Missouri	455	13,241	2,742	15,983	352,652	161,528	514,179
Montana	98	2,105	238	2,343	74,601	11,040	85,641
Nebraska	265	7,067	666	7,733	242,205	47,241	289,446
Nevada	22	6,009	310	6,319	243,982	24,494	268,475
New Hampshire	161	2,209	583	2,792	67,211	35,940	103,151
New Jersey	540	79,391	8,908	88,299	4,397,004	740,479	5,137,482
New Mexico	69	4,162	277	4,439	142,342	21,009	163,351
New York	1,445	65,585	7,380	72,965	2,510,469	429,540	2,940,009
North Carolina	312	22,839	3,513	26,352	1,116,578	226,582	1,383,160
North Dakota	222	5,722	519	6,241	178,610	28,812	207,421
Ohio	664	14,633	3,217	17,850	407,492	169,009	576,500
Oklahoma	300	8,757	1,117	9,874	414,643	84,256	498,900
Oregon	251	5,436	763	6,199	226,903	56,207	283,110
Pennsylvania	2,423	57,253	14,555	71,808	1,628,270	985,594	2,613,864
Rhode Island	38	5,883	1,180	7,063	270,508	109,788	380,296
South Carolina	166	24,804	3,119	27,923	1,749,617	303,866	2,053,483
South Dakota	100	827	192	1,019	23,980	16,633	40,614
Tennessee	209	4,845	1,241	6,086	158,971	73,535	232,506
Texas	782	252,484	28,576	281,060	18,102,244	2,634,399	20,736,642
Utah	172	3,686	352	4,038	128,353	22,605	150,958
Vermont	223	1,655	635	2,290	45,806	27,865	73,671
Virginia	248	24,097	3,337	27,434	1,376,270	301,771	1,678,041
Washington	244	16,939	3,124	20,063	944,723	281,911	1,226,634
West Virginia	266	13,284	2,727	16,011	340,618	149,869	490,486
Wisconsin	486	5,159	721	5,880	152,849	42,707	195,556
Wyoming	58	1,143	160	1,303	53,199	14,044	67,243
Guam	1	29	2	31	915	104	1,019
Puerto Rico	1	13,025	1,443	14,468	234,068	72,369	306,437
Virgin Islands	1	1,367	746	2,113	42,778	42,382	85,161
Countrywide	17,446	1,654,022	241,584	1,895,606	$90,789,954	$18,725,193	$109,515,147

**As of June 30, 1983.*

***Some totals do not balance because of rounding.*

Source: Federal Insurance Administration.

FEDERAL CRIME INSURANCE

The Federal Crime Insurance Program, established by Congress in 1970, began operation Aug. 1, 1971. It is administered by the federal insurance administrator, who is authorized to make federal crime insurance policies available in states in which that official perceives an availability problem. Policies, offered to both individuals and businesses, cover losses due to burglary and robbery.

Private insurers and statistical reporting companies act as servicing agents in participating states. Policies are sold through licensed property insurance agents and brokers.

In 1982, 27 states, the District of Columbia, Puerto Rico and the Virgin Islands were participating in the program. The Federal Insurance Administration reported that from the end of 1981 to year-end 1982 the number of policies in force decreased about 13 percent from 70,741 to 61,183. The amount of coverage in force decreased nearly 15 percent from $576.3 million to $492.1 million.

Federal Crime Insurance, 1982

State	Policies in Force at Year End			Insurance in Force at Year End (000)		
	Residential	Commercial	Total	Residential	Commercial	Total
Alabama	707	59	766	$ 4,846	$ 381	$ 5,227
Arkansas	74	26	100	431	115	546
California	1,654	342	1,996	12,997	4,044	17,041
Colorado	65	90	155	489	573	1,062
Connecticut	233	77	310	1,607	607	2,214
Delaware	125	11	136	657	75	732
District of Columbia	106	219	325	761	2,188	2,949
Florida	2,623	842	3,465	21,809	8,863	30,672
Georgia	418	299	717	2,998	2,739	5,737
Illinois	697	587	1,284	4,878	5,267	10,145
Iowa	5	6	11	34	87	121
Kansas	455	49	504	2,260	288	2,548
Louisiana	36	26	62	288	217	505
Maryland	141	266	407	1,051	2,783	3,834
Massachusetts	1,528	632	2,160	8,782	5,595	14,377
Minnesota	36	10	46	196	78	274
Missouri	1,217	344	1,561	7,512	1,893	9,405
New Jersey	1,946	552	2,498	13,867	6,320	20,187
New Mexico	17	26	43	134	44	178
New York	26,517	9,361	35,878	203,245	100,638	303,883
North Carolina	690	39	729	3,941	299	4,240
Ohio	494	324	818	2,833	2,337	5,170
Pennsylvania	3,018	1,287	4,305	18,281	10,040	28,321
Rhode Island	141	55	196	767	412	1,179
Tennessee	219	265	484	1,387	1,376	2,763
Virginia	96	38	134	618	270	888
Washington	10	0	10	52	0	52
Wisconsin	23	14	37	172	135	307
Puerto Rico	1,338	579	1,917	11,093	5,338	16,431
Virgin Islands	81	48	129	590	519	1,109
United States	44,710	16,473	61,183	$328,576	$163,521	$492,097

Source: Federal Insurance Administration, Crime Insurance Statistical Report.

TRENDS IN COSTS OF GOODS, SERVICES AND INSURANCE

The cost of insurance is influenced heavily by the costs of the materials and services for which property and casualty insurers must pay in meeting their obligations to their policyholders. Tabulated below and on the following page are indices showing the trends of costs of auto and property insurance and of typical factors which affect insurance claims. The cost of living index for all items rose 6.1 percent from 1981 to 1982.

Except as otherwise noted, all index figures are annual averages.

Price Indices for Property Insurance and Related Items and Annual Rates of Change, 1973-1982 (Base: 1967 = 100)

Year	Cost of Living (all items) Index	% Change	Home Ownership Index	% Change	House Maintenance and Repairs Index	% Change	House Furnishings Index	% Change
1973	133.1		146.7		151.0		124.9	
1974	147.7	+ 11.0	163.2	+ 11.2	171.6	+ 13.6	130.8	+ 4.7
1975	161.2	+ 9.1	181.7	+ 11.3	187.6	+ 9.3	144.4	+ 10.4
1976	170.5	+ 5.8	191.7	+ 5.5	199.6	+ 6.4	150.7	+ 4.4
1977	181.5	+ 6.5	204.9	+ 6.9	214.7	+ 7.6	156.5	+ 3.8
1978	195.4	+ 7.7	227.2	+ 10.9	233.0	+ 8.5	154.3	− 1.4
1979	217.4	+ 11.3	262.4	+ 15.5	256.4	+ 10.0	163.1	+ 5.7
1980	246.8	+ 13.5	314.0	+ 19.7	285.7	+ 11.4	174.2	+ 6.8
1981	272.4	+ 10.4	352.7	+ 12.3	314.4	+ 10.0	185.2	+ 6.3
1982	289.1	+ 6.1	376.8	+ 6.8	334.1	+ 6.3	193.8	+ 4.6
% Change, 1973-1982		+ 117.2		+ 156.9		+ 121.3		+ 55.2

Year	Private Residential Construction Costs Index	% Change	Private Non-residential Construction Costs Index	% Change	Property Insurance Premiums* Index	% Change
1973	143.7		155.3		164.6	
1974	158.9	+ 10.6	186.8	+ 20.3	174.9	+ 6.3
1975	173.6	+ 9.3	198.0	+ 6.0	201.4	+ 15.2
1976	187.1	+ 7.8	198.6	+ 0.3	226.5	+ 12.5
1977	210.1	+ 12.3	211.2	+ 6.3	255.7	+ 12.9
1978	240.9	+ 14.7	237.3	+ 12.4	282.5	+ 10.5
1979	273.0	+ 13.3	275.5	+ 16.1	309.9	+ 9.7
1980	300.0	+ 9.9	310.8	+ 12.8	349.7	+ 12.8
1981	324.2	+ 8.1	324.6	+ 4.4	384.4	+ 9.9
1982	331.5	+ 2.3	327.0	+ 0.7	400.2	+ 4.1
% Change, 1973-1982		+ 130.7		+ 110.6		+ 143.1

**The consumer price index for property insurance combines changes in personal property insurance rates (homeowners and fire and extended coverage) with changes in the value of houses being insured.*

Sources: Construction cost data, compiled by the Insurance Information Institute from data provided by the U.S. Department of Commerce, Bureau of the Census; other data, U.S. Department of Labor, Bureau of Labor Statistics.

Price Indices for Auto Insurance and Related Items and Annual Rates of Change, 1973-1982 (Base: Except as indicated, 1967 = 100)

Year	Medical Care Items		Hospital Rooms		Physicians' Fees		Auto Repairs & Maintenance*	
	Index	% Change	Index	% Change	Index	% Change	Index	% Change
1973	137.7		182.1		138.2		142.2	
1974	150.5	+ 9.3	201.5	+ 10.7	150.9	+ 9.2	156.8	+ 10.3
1975	168.6	+ 12.0	236.1	+ 17.2	169.4	+ 12.3	176.6	+ 12.6
1976	184.7	+ 9.5	268.6	+ 13.8	188.5	+ 11.3	189.7	+ 7.4
1977	202.4	+ 9.6	299.5	+ 11.5	206.0	+ 9.3	203.7	+ 7.4
1978	219.4	+ 8.4	332.4	+ 11.0	223.1	+ 8.3	220.6	+ 8.3
1979	239.7	+ 9.3	370.3	+ 11.4	243.6	+ 9.2	242.6	+ 10.0
1980	265.9	+ 10.9	418.9	+ 13.1	269.3	+ 10.6	268.3	+ 10.6
1981	294.5	+ 10.8	481.1	+ 14.8	299.0	+ 11.0	293.6	+ 9.4
1982	328.7	+ 11.6	556.7	+ 15.7	327.1	+ 9.4	315.8	+ 7.6
% Change, 1973-1982		+ 138.7		+ 205.7		+ 136.7		+ 122.1

Year	Auto Crash Parts Prices**		Labor Rates, Auto Repairs***		Auto Insurance	
	Index	% Change	Average Rate	% Change	Index	% Change
1973			$ 8.84		138.0	
1974			9.65	+ 9.2	138.1	+ .0
1975			10.71	+ 11.0	145.9	+ 5.6
1976	100.0		11.45	+ 6.9	187.9	+ 28.8
1977	109.3	+ 9.3	12.13	+ 5.9	210.5	+ 12.0
1978	120.6	+ 10.3	13.33	+ 9.9	216.6	+ 2.9
1979	133.0	+ 10.3	14.63	+ 9.8	228.7	+ 5.6
1980	148.1	+ 11.4	16.45	+ 12.4	247.4	+ 8.2
1981	168.8	+ 14.0	17.39	+ 5.7	259.0	+ 4.7
1982	188.0	+ 11.4	17.82	+ 2.5	275.7	+ 6.4
1983	193.6	+ 3.0	18.15	+ 1.9		
% Change, 1973-1982		+ 93.6#		+ 105.3##		+ 99.8

* *The cost of auto crash replacement is not reflected in this index, which includes prices for water pump replacement, motor tune-up, automatic transmission repair, front end alignment and chassis lubrication. The trend in the cost of parts commonly used to repair auto crash damage is reflected in the index of auto crash parts prices developed by State Farm Mutual Automobile Insurance Company and shown below.*

** *Base: Jan. 1, 1976 = 100. Index figure for each year is as of Jan. 1*

*** *Not computed as an index. Dollar figure for each year is as of Jan. 1.*

\# *Percent change 1976-1983.*

\#\# *Percent change 1973-1983.*

Sources: Auto Crash Parts Prices, State Farm Mutual Automobile Insurance Company; Labor Rates, Auto Repairs, Allstate Insurance Company; other data, U.S. Department of Labor, Bureau of Labor Statistics.

COST OF OPERATING AN AUTOMOBILE

Americans are holding on to their cars an average of 6.6 years, longer than any other time since World War II, according to the Federal Highway Administration. A 1982 FHA study, assuming the cost of an American-made intermediate-size sedan to be more than $7,400, estimated that if the car is driven 72,100 miles over a six-year period, the total cost to the owner will be $17,898. This includes $4,626 for gasoline, $3,138 for maintenance and repairs and $2,455 for insurance.

A per-mile analysis of the operating costs is shown in the table below. It assumes that each of five American 1981 models is driven 120,000 miles during a 12-year period. Cost figures were computed for suburban Baltimore, Md. Auto insurance coverages include $20,000/$40,000 bodily injury liability, $10,000 property damage liability, $2,500 personal injury protection, $20,000/$40,000/$10,000 uninsured motorist, $50 deductible comprehensive for 12 years and $100 deductible collision for the first five years.

Cost of Operating Automobiles and Vans, 1982
Cents Per Mile

	Vehicle Cost Depreciated	Maintenance Accessories Parts & Tires	Gas* & Oil (Exc. Taxes)	Parking & Tolls	Insurance	State & Federal Taxes	Total Cost Per Mile
Large	7.7	6.0	7.3	0.8	3.3	1.5	26.6
Intermediate	6.2	5.6	6.6	0.8	3.3	1.3	23.8
Compact	5.9	5.0	5.3	0.8	3.3	1.1	21.4
Subcompact	4.7	4.8	4.5	0.8	3.1	1.0	18.9
Passenger Van	10.7	7.2	8.9	0.8	4.4	1.9	33.2

\$1.35 per gallon.

Source: Federal Highway Administration, U.S. Department of Transportation.

INSURANCE IN HOME OWNERSHIP

While the cost of owning and maintaining a home has risen sharply in recent years, the cost of insurance has been a relatively minor contributing factor. A 1982 study by the U.S. League of Savings Associations of the impact of inflation on home ownership found that the cost of insurance represented only 2.5 percent of the median monthly housing expense in 1981, down from 2.9 percent in 1979.

Composition of Median Monthly Housing Expense

Item	1981	1979	1979-1981 Increase	Percentage of Total Increase
Mortgage payment	$624	$401	$223	83.8%
Real estate taxes	72	58	14	5.3%
Utilities	100	75	25	9.4%
Hazard Insurance	20	16	4	1.5%
Total	$816	$550	$266	100.0%

Source: U.S. League of Savings Associations.

PERSONAL INJURY LAWSUITS

The frequency of lawsuits and the average size of court settlements, including jury verdicts, have a significant impact on the cost of liability insurance.

Jury Verdict Research Inc. (JVR) reported a largest-ever 30.5 percent increase from 1980 to 1981 in the average size of verdicts awarded in four common injury categories—cervical strain, knee injuries, vertebrae fractures and wrongful deaths of adult males. The increase was almost three times greater than that (10.4 percent) recorded for the Consumer Price Index during the same period. For 1981, the latest year for which complete data were available, JVR listed average verdicts of $9,384 in cervical strain cases, $81,820 for knee injuries, $134,777 for vertebrae fractures and $575,120 in wrongful death cases.

JVR also has kept records of million-dollar verdicts since the first one was recorded in 1962. The number of such awards has risen steadily to a record 235 in 1981, up by more than 100 from the 130 cases reported in 1980. Of the 794 million-dollar verdicts recorded from 1962 through 1981, more than 59 percent were handed down in the last three years of that period. Product liability suits accounted for the largest number of such verdicts, 233, followed by medical malpractice actions, 151, automobile collisions, 102, and work accidents, 98.

Through 1981, more million-dollar verdicts had been rendered in New York (130) than in any other state. California was second with 126, and Florida was third with 116.

The JVR data show that the size and number of product liability and medical malpractice cases generally have increased over the years, although there have been upward and downward fluctuations from year to year. From 1972 through 1981, the average annual size of product liability verdicts ranged from a low of $223,659 in 1972 to a high of $1,657,187 in 1978. In 1981, the average product liability verdict was $800,586. During the same period, the average size of medical malpractice verdicts ranged from a low of $166,165 in 1974 to a high of $850,396 in 1981. JVR noted that fewer than half of product liability and medical malpractice cases result in plaintiffs' verdicts when tried by juries.

An annual compilation by the Pacific Coast regional office of the Insurance Information Institute tracks product liability and medical malpractice verdicts awarded in California Superior Courts. In product liability cases, the average award in 1982 was $531,785, about 51 percent higher than the 1981 average of $351,515. In medical malpractice cases, the average plaintiff award of $257,222 in 1982 was about 35 percent lower than the record high of $395,163 in 1981.

A more comprehensive reflection of the tendency of Americans to sue is contained in annual state-by-state compilations by the Administrative Office of the U.S. Courts of product liability lawsuits filed in

federal courts. The number of product liability filings increased 3.1 percent, from 8,944 in fiscal 1982 to 9,221 in fiscal 1983. About 87 percent of the cases involved personal injury, 5.5 percent were property damage filings and 6.5 percent were contract actions. The increase in fiscal 1983 followed a 1.4 percent decrease in fiscal 1982 and significant increases in each of the preceding several years.

The number of medical malpractice personal injury cases filed in U.S. District Courts increased for the fifth straight year. The 1,496 cases commenced in fiscal 1982 represented a 50 percent increase over the 997 cases commenced in the previous year.

Product Liability Cases Commenced in Federal District Courts, 1982-1983

State	Fiscal 1983*	Fiscal 1982*	% Change	State	Fiscal 1983*	Fiscal 1982*	% Change
Ala.	115	110	+ 4.5	Nev.	23	34	– 32.4
Alaska	25	21	+ 19.0	N. H.	80	83	– 3.6
Ariz.	57	56	+ 1.8	N. J.	168	210	– 20.0
Ark.	100	117	– 14.5	N. M.	36	27	+ 33.3
Calif.	425	357	+ 19.0	N. Y.	457	474	– 3.6
Colo.	97	101	– 4.0	N. C.	71	63	+ 12.7
Conn.	157	229	– 31.4	N. D.	25	21	+ 19.0
Del.	9	11	– 5.5	Ohio	439	474	– 7.4
D. C.	78	166	– 53.0	Okla.	172	200	– 14.0
Fla.	287	189	+ 51.9	Ore.	56	82	– 31.7
Ga.	224	191	+ 17.3	Pa.	815	654	+ 24.6
Hawaii	76	25	+ 204.0	R. I.	28	53	– 47.2
Idaho	32	35	– 8.6	S. C.	250	225	+ 11.1
Ill.	164	220	– 25.5	S. D.	23	37	– 37.8
Ind.	116	172	– 32.6	Tenn.	169	198	– 14.6
Iowa	75	83	– 9.6	Texas	906	1,039	– 12.8
Kan.	142	161	– 11.8	Utah	35	38	– 7.9
Ky.	112	92	+ 21.7	Vt.	17	17	N.C.
La.	392	349	+ 12.3	Va.	147	217	– 32.3
Maine	96	56	+ 71.4	Wash.	104	135	– 23.0
Md.	255	125	+ 104.0	W. Va.	57	60	– 5.0
Mass.	724	440	+ 64.5	Wis.	89	87	+ 2.3
Mich.	460	465	– 1.1	Wyo.	9	25	– 64.0
Minn.	133	147	– 9.5	P. R.	18	14	+ 28.6
Miss.	379	308	+ 23.1	Guam	0	0	N.C.
Mo.	178	156	+ 14.1	N. M. I.	2	0	
Mont.	46	42	+ 9.5	V. I.	5	16	– 68.8
Neb.	66	37	+ 78.4	Total	9,221	8,944	+ 3.1

**Twelve-month period ended June 30.*

Source: Prepared by the Insurance Information Institute based on the 1983 Annual Report of the Administrative Office of the U.S. Courts.

HEALTH CARE COSTS

Of every $10 Americans spent in 1982, more than $1 went toward the payment of health care, according to the Department of Health and Human Services. The national health expenditure of $321 billion was 10.5 percent of the gross national product. Health care costs increased 11 percent in 1982, with health outlays per person rising to $1,361 from $1,225 in 1981. Inflation was blamed for 75 percent of the increase. According to HHS, other contributing factors included population age shifts and greater use of doctors, hospitals and medical tests. A major factor was an average 15.7 percent rise in hospital room costs.

The average rate for a semiprivate room in the United States was $183.87 as of January 1983, an 11.4 percent increase over the January 1982 figure of $165.09, according to a survey by the Health Insurance Association of America. State average rates ranged from $100.10 in Mississippi to $250.07 in the District of Columbia. An indicated reduction in the average rate in New Jersey was attributed to a cost containment program in that state under which the basic hospital charge is the same for every patient with the same diagnosis regardless of length of stay or treatment.

Hospital Semiprivate Room Rates*, January 1982-83

State	1983	1982	% Change	State	1983	1982	% Change
Ala.	$140.93	$123.81	+13.8	Mont.	$169.08	$150.26	+12.5
Alaska	228.93	214.95	+ 6.5	Neb.	143.13	132.98	+ 7.6
Ariz.	166.00	144.88	+14.6	Nev.	198.14	168.72	+17.4
Ark.	126.34	114.19	+10.6	N. H.	183.79	166.77	+10.2
Calif.	247.01	215.54	+14.6	N. J.	164.86	170.92	– 3.5
Colo.	186.79	166.99	+11.9	N. M.	171.30	152.21	+12.5
Conn.	183.55	161.57	+13.6	N. Y.	203.89	187.13	+ 9.0
Del.	190.12	171.63	+10.8	N. C.	125.51	110.11	+14.0
D.C.	250.07	233.42	+ 7.1	N. D.	141.84	122.40	+15.9
Fla.	157.00	139.31	+12.7	Ohio	185.79	179.83	+ 3.3
Ga.	129.87	122.91	+ 5.7	Okla.	146.48	132.40	+10.6
Hawaii	204.62	175.83	+16.4	Ore.	200.91	179.71	+11.8
Idaho	168.22	150.23	+12.0	Pa.	214.32	186.31	+15.0
Ill.	214.49	190.28	+12.7	R. I.	182.33	166.49	+ 9.5
Ind.	162.39	145.94	+11.3	S. C.	120.76	106.27	+13.6
Iowa	155.73	138.76	+12.2	S. D.	149.44	130.19	+14.8
Kan.	158.86	140.08	+13.4	Tenn.	125.96	110.39	+14.1
Ky.	142.97	127.84	+11.8	Texas	133.25	118.62	+12.3
La.	134.51	114.01	+18.0	Utah	159.01	145.76	+ 9.1
Maine	187.20	159.60	+17.3	Vt.	189.07	167.47	+12.9
Md.	166.30	147.87	+12.5	Va.	147.41	131.32	+12.3
Mass.	196.07	179.78	+ 9.1	Wash.	195.63	172.24	+13.6
Mich.	218.35	184.28	+18.5	W. Va.	156.16	136.58	+14.3
Minn.	160.45	145.11	+10.6	Wis.	155.81	144.84	+ 7.6
Miss.	100.10	92.94	+ 7.7	Wyo.	145.75	129.56	+12.5
Mo.	164.55	144.72	+13.7	P. R.	98.48	92.12	+ 6.9

**Data apply to medical-surgical semi-private accommodations and exclude pediatric, intensive care, cardiac care, extended care, self-care, psychiatric and tuberculosis beds.*

Source: Health Insurance Association of America.

A SUMMARY OF LOSSES

Natural and man-made perils, including fires, windstorms, accidents on and off the highways and crime, again in 1982 took a staggering toll of life and property in the United States. Most of those losses have a direct impact on insurance claims and an indirect impact on the cost of insurance.

As usual, the ferocity of nature — even at its worst — was no match for that of humans, with only a small fraction of the billions of dollars of property damage and of an estimated 93,000 accidental deaths attributed to tornadoes, floods and other forms of natural violence.

During 1982:

Motor vehicle accidents claimed some 46,000 lives and caused an estimated 4,490,000 non-fatal injuries. While each of those figures represented a reduction of more than 10 percent from the corresponding toll of the previous year, rising costs of such things as medical services and car repairs pushed the aggregate dollar loss resulting from motor vehicle accidents to a record $60.2 billion.

- Motor vehicle accidents in the United States occurred on the average of 54 every minute.
- Motorists under age 30 comprised 50.2 percent of the drivers involved in accidents, and 49.1 percent of the drivers in fatal accidents, although they made up only 33.9 percent of the nation's motoring population.
- Drinking drivers were said to be involved in about half of all the fatal accidents.

Fires took an estimated 5,000 lives and caused property damage of some $5.9 billion.

- About $1.6 billion, or 27 percent, of the dollar fire loss was attributed to incendiarism or suspicious causes.
- Structural fires averaged about 2,593 a day.
- Residential fires, which occurred at the rate of about one every 47 seconds, accounted for almost 72 percent of all building fires and 57 percent of the dollar losses.

Work-related accidents caused 11,200 deaths and dollar losses put at some $29.4 billion. Both figures reflected improvement in the nation's on-the-job safety experience.

Accidents in the home took some 21,000 lives.

Crimes tracked by the Federal Bureau of Investigation declined by about 3 percent. The FBI reported decreases of 6.5 percent in robberies, 8.7 percent in burglaries, 0.1 percent in larcenies and 2.4 percent in motor vehicle thefts. Dollar losses from those four crimes alone were estimated at more than $9.4 billion.

Catastrophes causing insured property damage of $5 million or more each resulted in insured losses of more than $1.5 billion. While tornadoes were involved in only $864 million of those losses, a government agency estimated the total cost of tornado-caused property damage at more than a billion dollars.

FIRE LOSSES

Fire losses in the United States increased by about 4.8 percent in 1982, to a record $5.9 billion from the 1981 total of $5.6 billion. The per capita fire loss increased by nearly 4 percent from $24.53 to $25.46. While the trend of fire losses has been generally upward over the years, the ratio of such losses to the aggregate value of property subject to such losses has been declining for many years as a result of countrywide fire prevention efforts.

**U.S. Fire Losses*
1875-1982**

Year	Property Loss	Loss Per Capita	Year	Property Loss	Loss Per Capita
1875	$ 78,102,000	$1.73	1950	$ 648,909,000	$ 4.27
1880	74,643,000	1.49	1960	1,107,824,000	6.16
1890	108,994,000	1.73	1970	2,328,000,000	11.41
1900	160,930,000	2.12	1978	4,008,000,000	18.05
1910	214,003,000	2.32	1979	4,851,000,000	21.60
1920	447,887,000	4.21	1980	5,579,000,000	24.56
1930	501,981,000	4.08	1981	5,625,000,000	24.53
1940	286,491,000	2.16	1982	5,894,000,000	25.46

**Including allowances for uninsured and unreported losses.*

Source: Insurance Services Office.

FIRE FATALITIES

Fire deaths in the United States declined by about 2 percent in 1982, to an estimated 5,000 from the 1981 toll of 5,100, according to a National Safety Council estimate. The Council said approximately 4,100, or 82 percent, of the victims perished in residential fires.

Highest death rate by fire is among persons 65 years of age and older. The death rate among children under 5 years of age is the second highest. The fatality rate for the older group declined in 1982 for the sixth consecutive year, according to the National Safety Council. Rates shown below are deaths per 100,000 population in each age group resulting from burns, asphyxiation or being struck by falling objects during fires.

Fire Deaths per 100,000 Population

Ages	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
0-4	5.0	4.8	4.7	5.3	4.9	5.7	5.2	4.3	3.8	4.1
5-14	1.3	1.5	1.5	1.5	1.5	1.6	1.6	1.4	1.2	1.2
15-24	1.3	1.3	1.2	1.4	1.5	1.3	1.4	1.4	1.1	1.2
25-44	2.0	1.8	1.8	1.7	1.9	1.8	1.6	1.7	1.4	1.5
45-64	4.0	3.6	3.7	3.5	3.4	3.2	3.0	2.5	2.3	2.0
65 and over	8.7	8.2	7.4	8.0	7.8	7.0	6.7	6.4	6.2	5.7

Source: National Safety Council.

LEADING CAUSES OF FIRES

Heating equipment, especially wood-burning stoves and fireplaces, were the leading cause of residential fires in 1981, the latest year for which such data were available, according to the Federal Emergency Management Agency. The highest number of residential fire deaths, however, occurred in fires caused by cigarette smoking, which was blamed for a staggering 35.2 percent of all such fatalities. Cooking fires caused the most injuries, and incendiary or suspected incendiary fires caused the highest dollar losses.

Non-residential fires in structures, including schools, restaurants, garages and manufacturing plants, claimed only about 10 percent of fire incidents in 1981 but accounted for 45 percent of dollar losses. Arson continues to be the primary cause of non-residential fires and dollar losses, and along with smoking, a major cause of non-residential deaths. FEMA's analysis attributes 29.5 percent of all non-residential fires and 42.3 percent of all dollar losses from non-residential fires to incendiarism or suspected incendiarism.

FEMA's analysis is based on fire data collected from 33 states through the National Fire Incident Reporting System and also from the National Fire Protection Association, the National Center for Health Statistics and other sources.

Causes of Reported Fires
(With Unknowns Allocated)

	Residential				Non-Residential			
	Fires %	Deaths %	Injuries %	Dollar Loss %	Fires %	Deaths %	Injuries %	Dollar Loss %
Heating	26.5	14.1	12.8	18.6	6.6	2.7	6.6	6.0
Cooking	18.1	8.0	21.3	6.7	5.9	0.2	11.6	2.3
Incendiary/Suspicious	12.8	13.0	11.4	21.8	29.5	20.7	17.2	42.3
Smoking	8.9	35.2	19.0	10.3	7.0	20.9	6.2	2.5
Electrical Distribution	7.3	7.8	6.7	16.4	10.9	9.5	8.3	12.6
Appliances	6.2	2.7	5.8	5.8	5.6	1.2	5.3	3.8
Children Playing	5.0	5.2	8.7	4.4	4.4	11.1	3.0	1.0
Other Equipment	5.4	4.5	6.0	5.1	11.1	5.7	21.7	11.0
Exposure	2.7	1.4	0.8	4.5	5.4	1.5	1.6	7.5
Natural	1.3	0.5	0.5	1.6	2.8	2.2	3.1	3.7
Open Flame, Torch	4.7	5.0	5.5	3.8	9.1	16.7	11.2	4.9
Other Heat	1.1	2.6	1.4	1.0	1.7	7.7	3.1	2.4

Note: Columns of percentages may not total 100 percent because of the effects of rounding.

Sources: Federal Emergency Management Agency, U.S. Fire Administration, National Fire Data Center.

ARSON

Incendiary or suspicious fires take hundreds of lives and cause property damage of well over a billion dollars each year. Some progress in an ongoing campaign to reduce the incidence of arson was reflected in a report by the National Fire Protection Association (NFPA) that the number of fires of incendiary or suspicious origin declined 16.5 percent from 154,500 in 1981 to 129,000 in 1982, and that the resulting property damage dropped about 3.3 percent to just over $1.6 billion.

The number of civilian deaths attributed to such fires increased by 11 percent, however — from 820 in 1981 to 910 in 1982.

Deliberately set or suspicious fires accounted in 1982 for about 14 percent of all structural fires, 15 percent of civilian deaths resulting from such fires, and 28 percent of the resulting property damage.

A study published in 1982 by the insurance industry-sponsored All-Industry Research Advisory Council indicated that vandalism is the most common motive for arson fires, with fraud, or arson-for-profit, the second most prevalent motive.

NFPA said an estimated 48,000 vehicular fires of incendiary or suspicious origin also were reported in 1982, with property damage estimated at some $138,000,000 — up 29 percent from the 1981 figure.

The insurance industry for several years has worked closely with federal, state and local authorities in the effort to combat arson. An industry-supported measure to assure a more effective accumulation of arson statistics by the Federal Bureau of Investigation was enacted and signed into law in 1982. Also, in 1982 and 1983, Idaho, Nevada and the District of Columbia enacted arson reporting immunity laws which grant insurers civil (and in most cases, criminal) immunity from lawsuits when they share arson-related information with law enforcement officials. Late in 1983, South Carolina was the only state without such a law.

Incendiary and Suspicious Fires in Structures, 1982 Estimates

	Fires		Civilian Deaths		Dollar Loss*	
	Estimate	Change from 1981	Estimate	Change From 1981	Estimate	Change From 1981
Structural Fires of Incendiary Origin	77,500	−11.9%	720	+29.7%	$1,088,000,000	−4.7%
Structural Fires of Suspicious Origin	51,500	−22.6%	190	−28.3%	516,000,000	0.0%
Total Structural Fires of Incendiary or Suspicious Origin	129,000	−16.5%	910	+11.0%	1,604,000,000	−3.3%

**Includes direct property losses only; does not include indirect losses such as business interruption or temporary shelter costs. No adjustment was made for inflation in the year to year comparison.*

Source: National Fire Protection Association.

STRUCTURAL FIRES

Fires in residential structures accounted for 71.5 percent of structural fires in the United States and 82 percent of all civilian fire deaths in 1982, according to the National Fire Protection Association (NFPA). Residential fires also accounted for 56.8 percent of the dollar losses from structural fires, estimated by the NPFA at more than $5.7 billion.

Structural Fires by Types of Use, 1982 Estimates*

Property Use		Estimated Number of Fires	% Change from 1981	% of Structure Fires	% of Dollar Losses**
Public Assembly		28,000	−1.8	3.0	6.6
Educational		16,500	−15.4	1.7	2.8
Institutional		29,500	+9.3	3.1	0.3
Residential		676,500	−7.7	71.5	56.8
One-and-Two-Family Dwellings***	538,000		−6.2	56.9	48.8
Apartments	116,500		−15.0	12.3	6.2
Hotels and Motels	10,500		−8.7	1.1	1.5
Other	11,500		+9.5	1.2	0.4
Stores and Offices		56,000	−14.5	5.9	8.9
Industry, Utility, Defense		42,000	−14.3	4.4	11.6
Storage in Structures		54,000	−12.9	5.7	10.2
Special Structures		44,000	+2.3	4.7	2.8
Totals		946,500	−7.9		

**Based primarily on data reported to the NFPA by fire departments responding to the 1982 National Fire Experience Survey.*

***Direct property losses only.*

****Includes mobile homes.*

Source: National Fire Protection Association estimates.

Civilian Fire Deaths by Property Use, 1982 Estimates

Property Use	Deaths	% Change from 1981	% of All Civilian Fire Deaths
Residential*	4,940	−10.8	82.0
One- and Two-Family Dwellings	3,960	−10.6	65.7
Apartments	860	−11.3	14.3
Hotels and Motels	75	−16.7	1.3
Other Residential	45	−10.0	.7
Non-Residential Structures	260	+18.2	4.3
Highway Vehicles	575	−25.3	9.6
Other Vehicles	120	+71.4	2.0
All Other Categories	125	+25.0	2.1
Total	6,020	−10.1	

**Includes mobile homes.*

Source: National Fire Protection Association estimates.

MULTIPLE-DEATH FIRES

The most tragic fire of 1982 in terms of loss of life occurred on Nov. 8, when 29 persons perished in a fire in a county jail in Biloxi, Miss. It was one of seven fires during the year which resulted in 10 or more deaths each.

The National Fire Protection Association listed four of the seven fires, including the Biloxi blaze, as being of incendiary or suspicious origin. In the 10 years from 1973 through 1982, according to the NFPA, 10 or more persons lost their lives in each of 27 fires of incendiary or suspicious causes. Two of the 27 fires occurred in nursing homes and 16 others in other kinds of residential occupancies.

A total of 259 multiple-death fires — those causing three or more deaths — was recorded by the National Fire Protection Association in 1982. Together, those fires resulted in 1,082 deaths.

There have been 22 single fires in the United States in which 100 or more persons have perished, including two — in Peshtigo, Wis., in 1871 and New York City in 1904 — which took more than 1,000 lives each. The most tragic multiple-death fire since 1970 occurred on May 28, 1977, when 165 persons died in a supper club fire in Southgate, Ky.

1982 Fires Resulting in 10 or More Deaths

County jail	Biloxi, Miss.	Nov. 8	29 deaths
Residential hotel	Los Angeles, Calif.	Sept. 4	24 deaths
Apartment building	Waterbury, Conn.	July 5	14 deaths
Aircraft crash	Taft, Calif.	Oct. 17	14 deaths
Residential hotel	Hoboken, N. J.	April 30	13 deaths
Hotel	Houston, Texas	March 6	12 deaths
Dwelling	Baltimore, Md.	May 14	10 deaths

Source: National Fire Protection Association.

The 10 Worst Multiple-Death Fires in the U.S.

Date	Place	Deaths
Oct. 8, 1871	Peshtigo, Wis., and environs	1,152
June 15, 1904	New York, N.Y., SS General Slocum	1,030
Dec. 30, 1903	Chicago, Ill., Iroquois Theatre	602
Oct. 12, 1918	Cloquet, Minn., and environs	559
April 18, 1906	San Francisco, Calif., earthquake-fire	500
Nov. 28, 1942	Boston, Mass., Cocoanut Grove Night Club	492
Sept. 1, 1894	Hinckley, Minn., and environs	413
June 30, 1900	Hoboken, N.J., North German Lloyd Steamship pier and ships	326
April 21, 1930	Columbus, Ohio, State Penitentiary	320
Dec. 5, 1876	Brooklyn, N.Y., Conway's Theatre	283

Source: Compiled by the Insurance Information Institute.

LARGE-LOSS FIRES

Fire that raged through a retail distribution complex in Falls Township, Pa., in June 1982 caused damage estimated by the National Fire Protection Association at $100 million. It was one of 33 fires during the year in which the NPFA said the property loss reached or exceeded $5 million. The association said the 33 fires together resulted in losses of more than $532.6 million.

A review by the Insurance Information Institute indicated that the Falls Township blaze, a $91 million fire in a bank building in Minneapolis, Minn., in November and a conflagration in Anaheim, Calif., in April were among the 15 worst property loss fires in recorded history (see table on the following page).

U.S. Fires Causing Property Damage of $5 Million or More, 1982

Date	Place	Property Use	Estimated Loss
June 6	Falls Township, Pa.	Retail distribution center	$100,000,000
Nov. 25	Minneapolis, Minn.	Bank building	91,000,000
Apr. 21	Anaheim, Calif.	Conflagration, 51 buildings	50,000,000
Mar. 14	Dothan, Ala.	Cold storage warehouse	21,000,000
May 11	Fall River, Mass.	Church and dwellings	20,000,000
Apr. 4	Fairfax, Va.	Theater	17,000,000
Oct. 29	Marion, S.C.	Tobacco warehouse	15,132,000
Feb. 14	Kalama, Wash.	Cargo ship	15,000,000
Apr. 18	Washington, Iowa	Train collision and fire	15,000,000
Sept. 29	Freeport, Tex.	Electric generating plant	14,700,000
Oct. 20	Everett, Wash.	Process fishing vessel	14,000,000
Apr. 19	Sheboygan, Wis.	Furniture manufacturer	11,647,300
Feb. 22	Santa Rosa, Calif.	Power plant under construction	10,500,000
July 7	Buffalo, N.Y.	Armory	10,000,000
Mar. 7	Columbia, S.C.	Military aircraft	10,000,000
Dec. 11	Luling, La.	Chemical storage	10,000,000
Aug. 29	Unalaska, Alaska	Commercial fishing vessel	9,000,000
Oct. 9	Los Angeles, Calif.	Brush and dwellings	8,990,000
July 3	Alsip, Ill.	Paper storage	8,000,000
Apr. 20	Council Bluffs, Iowa	Grain elevator	7,500,000
Feb. 26	New York, N.Y.	Tank ship	7,000,000
Mar. 20	Englewood, Ohio	Vocational school	7,000,000
July 1	Hesperia, Calif.	Machinery manufacturer	6,600,000
Apr. 23	Riggins, Idaho	Sawmill	6,197,700
July 10	Portland, Ore.	Shipyard	6,000,000
May 6	Duluth, Minn.	Chemical manufacturer	6,000,000
June 4	Fort Worth, Tex.	Shopping center	5,400,000
Feb. 8	Decatur, Ga.	Textile warehouse	5,000,000
Apr. 16	Elkins, W. Va.	Lumberyard	5,000,000
Jan. 24	Seattle, Wash.	Navy frigate under construction	5,000,000
Feb. 24	Beaumont, Tex.	Hotel	5,000,000
Sept. 9	Washington, N.C.	Textile manufacturer	5,000,000
Mar. 9	Philadelphia, Pa.	Chemical manufacturer	5,000,000

Source: National Fire Protection Association.

Large Loss Fires (continued)

The most costly fire in the United States was the San Francisco fire of 1906. The estimated loss from that fire in terms of 1982 dollars amounts to more than $3.5 billion.

The 15 Most Costly Fires in the U.S.

Date	Place	Property Destroyed	Estimated Loss
April 18, 1906	San Francisco, Calif.	28,000 buildings	$350,000,000
Oct. 8-10, 1871	Chicago, Ill.	17,340 buildings	175,000,000
June 6, 1982	Falls Township, Pa.	Retail distribution center	100,000,000
Nov. 25, 1982	Minneapolis, Minn.	Bank building	91,000,000
Nov. 9, 1872	Boston, Mass.	776 buildings	75,000,000
Sept. 1, 1979	Deer Park, Texas	Tank ship	70,000,000
Nov. 28, 1981	Lynn, Mass.	31 buildings	70,000,000
Apr. 16, 1947	Texas City, Texas	Waterfront industrial area	67,000,000
Feb. 27, 1975	New York, N.Y.	Telephone central office	26,500,000
Feb. 7, 1904	Baltimore, Md.	80 city blocks in business section	50,000,000
Aug. 12, 1953	Livonia, Mich.	Auto transmission plant	50,000,000
Dec. 5, 1970	Linden, N.J.	Oil refinery, nearby buildings	50,000,000
Jan. 20, 1980	Borger, Texas	Refinery	50,000,000
Nov. 21, 1980	Las Vegas, Nev.	Hotel	50,000,000
Apr. 21, 1982	Anaheim, Calif.	51 buildings	50,000,000

Source: Compiled by the Insurance Information Institute.

CIVIL DISORDERS

Rioting which exploded in Miami, Fla. in May 1980 resulted in the most costly insured losses on record growing out of civil disorders. Of the 10 most costly civil disorders, all but the Miami violence and a disturbance in New York City, which occurred during a widespread power outage, occurred in the 1960s.

The 10 Most Costly U.S. Civil Disorders

Date	Locale	Estimated Insured Loss
May 17-19, 1980	Miami	$65,250,000
Aug. 11-17, 1965	Los Angeles (Watts Section)	44,000,000
July 23, 1967	Detroit	41,500,000
July 13-14, 1977	New York City	28,000,000
April 4-9, 1968	Washington, D.C.	24,000,000
July 12, 1967	Newark	15,000,000
April 6-9, 1968	Baltimore	14,000,000
April 4-11, 1968	Chicago	13,000,000
April 4-11, 1968	New York City	4,200,000
April 4-11, 1968	Pittsburgh	2,000,000

Source: Compiled by the Insurance Information Institute.

THE CATASTROPHE RECORD, 1982

Insurers paid out some $1,528,419,000 in claims resulting from 33 catastrophes such as tornadoes, wind, hail, hurricanes and fire during 1982. The catastrophic loss figure was second only to that of 1979, the year in which Hurricanes "Frederic" and "David," along with other disasters, exacted $1,685,070,000 in claim payments.

Property/casualty insurers have procedures that are put into effect in the wake of a designated catastrophe to facilitate the payments of claims and to help property owners restore order. A catastrophe is defined as any incident or series of related incidents in which losses involving insured property exceed $5 million. The insurance industry figures do not include flood losses covered under the federally operated National Flood Insurance Program.

The most costly catastrophe of 1982 was a storm system that battered 24 states in April with high winds, tornadoes, hailstorms, blizzards and ice storms, causing insured losses of nearly $244 million.

The estimates listed below are based on data reported to the American Insurance Association and Insurance Services Office. They cover insured losses only, not total property damage.

The Catastrophe Record, 1982

Date	Place	Catastrophe	Estimated Loss Payments
Jan. 2-4	Mississippi, Ohio	Wind, Hail, Tornadoes, Snow, Flooding	$ 10,000,000
Jan. 3-5	California	Wind, Flooding, Earth Movement	33,875,000
Jan. 8-14	Michigan, Illinois, Missouri, Ohio, Alabama, Arkansas, Connecticut, Florida, Georgia, Indiana, Iowa, Wisconsin, Kentucky, Louisiana, Kansas, Minnesota, Mississippi, New York, North Carolina, Texas, Oklahoma, Pennsylvania, South Carolina, Tennessee, Virginia, West Virginia	Wind, Snow, Freezing	220,000,000
Jan. 15-20	Minnesota, Illiinois, Wisconsin, Michigan, Indiana, Ohio, New York, Pennsylvania, New Jersey, Alabama, Connecticut, Delaware, District of Columbia, Georgia, Iowa, Kentucky, Maryland, Maine, Massachusetts, New Hampshire, Rhode Island, Tennessee, Vermont, West Virginia	Wind, Snow, Freezing	60,000,000
Jan. 17	Colorado	Windstorm	20,000,000
March 12-16	Indiana, Ohio, Michigan	Flooding	5,000,000

The Catastrophe Record, 1982 (continued)

Date	Place	Catastrophe	Estimated Loss Payments
March 15-16	Oklahoma, Kansas, Missouri	Wind, Hail, Tornadoes	$ 55,344,850
March 30-April 1	Missouri, Ohio, Pennsylvania, New Jersey	Wind, Hail, Tornadoes	7,500,000
April 2-4	Wyoming, Colorado, North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Texas, Minnesota, Iowa, Missouri, Arkansas, Louisiana, Wisconsin, Illinois, Michigan, Indiana, Ohio, Kentucky, Tennessee, Mississippi, Alabama, West Virginia, Pennsylvania	Wind, Hail, Tornadoes, Snow, Ice	243,500,000
April 8-11	Florida	Wind, Hail, Tornadoes, Flooding	25,000,000
April 19-20	Texas, Louisiana, Mississippi	Wind, Hail, Tornadoes	25,000,000
April 21	Orange County, Calif.	Fire	30,000,000
May 9-18	Texas, Oklahoma, Kansas	Wind, Hail, Tornadoes, Flooding	30,000,000
May 25-31	Texas, New Mexico, Oklahoma, Missouri, Kansas, Arkansas, Illinois, Kentucky	Wind, Hail, Tornadoes, Flooding	100,000,000
June 5-7	Connecticut, Massachusetts, Rhode Island	Wind, Flooding	15,000,000
Jun 5-10	Texas, Kansas, Missouri, Iowa, Oklahoma, Arkansas, Illinois, Indiana, South Carolina, Georgia	Wind, Hail, Tornadoes, Flooding	102,250,000
June 11-12	Texas	Wind, Hail	10,000,000
June 12	Colorado	Wind, Hail	40,000,000
June 13-16	New Mexico, Texas, Colorado, Kansas, Michigan, Ohio, Kentucky	Wind, Hail, Tornadoes	45,000,000
June 17-18	Florida	Wind, Tornadoes, Flooding	19,500,000
June 17-20	New Mexico, Texas	Wind, Hail, Tornadoes	40,000,000
June 28-29	Montana	Wind, Hail	29,450,000
July 4-6	Montana, South Dakota	Wind, Hail, Tornadoes	6,500,000
July 22	Arizona	Wind, Hail, Tornadoes	6,500,000
Aug. 12-14	Missouri	Wind, Flooding	12,000,000
Sept. 12-14	Wisconsin, Colorado, Missouri	Wind, Hail, Tornadoes	8,000,000
Oct. 9-10	California	Fire	16,000,000
Nov. 23-24	Hawaii	Hurricane "Iwa," Wind, Flooding	137,000,000
Nov. 25-26	Minneapolis, Minn.	Fire	50,000,000
Nov. 29-30	California	Wind, Flooding, Snow	30,000,000
Dec. 2-7	Arkansas, Missouri, Illinois	Wind, Tornadoes, Hail, Flooding	47,000,000
Dec. 7-9	California	Wind	11,000,000
Dec. 22-Jan. 4	Arkansas, California, Colorado, Louisiana, Missouri, Oklahoma, Tennessee	Wind, Hail, Tornadoes, Snow, Flooding	38,000,000

Source: American Insurance Association.

EARTHQUAKES IN THE UNITED STATES

While much of the nation's seismic activity is centered along the Pacific Coast and in Nevada, every state is vulnerable to and has felt the effects of earthquakes. One of the nation's most tragic catastrophes was the San Francisco earthquake-fire of April 18, 1906, which nearly razed the city and took an estimated 500 lives. In the East, the greatest shock was experienced in Charleston, S.C., on Aug. 31, 1886. The Charleston earthquake resulted in 60 deaths and $23 million in property damage. Although insurance against earthquake damage is generally available, relatively few property owners have taken advantage of the protection it offers.

The United States experienced no major earthquakes in 1982, according to the National Oceanic and Atmospheric Administration (NOAA).

Property damage figures in the table below are given in dollar values for the years in which the earthquakes occurred. NOAA said that in terms of 1981 dollars, the 1964 Alaska earthquake and tsunami would show the largest magnitude of $1.19 billion. The San Fernando earthquake of 1971 would rank second at $1.05 billion; the 1906 San Francisco earthquake third at $389.3 million. It must be noted, however, that in the San Francisco incident, the fire damage was much more extensive than that attributed to the earthquake.

The 10 Most Costly U.S. Earthquakes

Year	Locality	Estimated Property Damage
1971	San Fernando, Calif.	$553,000,000
1964	Alaska and West Coast of United States (tsunami damage from earthquake near Anchorage, Alaska)	500,000,000
1952	Kern County, Calif.	60,000,000
1933	Long Beach, Calif.	40,000,000
1979	Imperial County, Calif.	30,000,000
1960	Hawaii and West Coast of United States (tsunami damage from earthquake off the coast of Chile)	25,500,000
1946	Hawaii (tsunami damage from earthquake in Aleutians)	25,000,000
1949	Puget Sound, Wash.	25,000,000
1906	San Francisco, Calif.	24,000,000*
1886	Charleston, S.C.	23,000,000

**The San Francisco catastrophe of 1906 also caused fire losses estimated at $350,000,000.*

Source: National Oceanic and Atmospheric Administration, U.S. Department of Commerce.

HURRICANES REACHING THE U.S.

The continental United States was hurricane-free in 1982, although hurricane "Iwa" and its accompanying winds and flooding caused some $137 million of property damage in the offshore state of Hawaii late in November. Records compiled by the National Oceanic and Atmospheric Administration show that in the last 25 years, 32 hurricanes have reach ed the continental United States, causing 848 deaths.

Hurricanes in the U.S. 1958-1982

Year	Hurricanes	Deaths*	Year	Hurricanes	Deaths*	Year	Hurricanes	Deaths*
1958	0	2	1966	2	54	1974	1	1
1959	3	24	1967	1	18	1975	1	21
1960	2	65	1968	1	9	1976	1	9
1961	1	46	1969	2	256	1977	1	0
1962	0	4	1970	1	11	1978	0	35
1963	1	11	1971	3	8	1979	3	22
1964	4	49	1972	1	121	1980	1	2
1965	1	75	1973	0	5	1981	1	0
						1982	0	0

**Deaths include fatalities from high winds of less than hurricane force.*

Source: United States Department of Commerce—National Oceanic and Atmospheric Administration.

The 10 Most Costly Insured Hurricanes

Dates	Place	Hurricane	Estimated Insured Loss
1979-Sept. 12-14	Miss., Ala., Fla., La., Tenn., Ky., W. Va., Ohio, Pa., N.Y.	"Frederic"	$752,510,000
1965-Sept. 7-10	Fla., La., Miss.	"Betsy"	715,000,000*
1970-Aug. 3	Southeastern Texas	"Celia"	309,950,000*
1969-Aug. 17-18	La., Miss., Ala., Florida Panhandle	"Camille"	225,000,000*
1982-Nov. 23-24	Hawaii	"Iwa"	137,000,000
1954-Aug. 30-31	N.Y., Conn., R.I., Mass., Maine, N.H., N.J.	"Carol"	129,700,000*
1979-Aug. 30, Sept. 4-6	Fla., Ga., S.C., N.C., Va., Md., D.C., Del., Pa., N.J., N.Y., Conn., Mass., P.R., V.I.	"David"	122,070,000
1954-Oct. 15-16	S.C., N.C., Va., W.Va., D.C., Md., Del., N.J., Pa., N.Y.	"Hazel"	122,050,000*
1975-Sept. 16-26	Fla., Ala., Ga., Tenn., W.Va., Va., Md., Del., D.C., Pa., N.J., N.Y., Mass., Conn., R.I., P.R.	"Eloise"	119,188,500
1961-Sept. 9-12	Texas, La. Gulf Coast	"Carla"	100,000,000*

**Fixed property loss.*

Source: Compiled by Insurance Information Institute from American Insurance Association estimates.

TORNADOES IN THE UNITED STATES

The number of tornadoes reaching the United States in 1982, 1,033, was the second highest in recorded history, according to the National Oceanic and Atmospheric Administration. The agency said the storms caused property losses in excess of a billion dollars, claimed 64 lives and injured 1,246 people. A record 82 tornadoes were recorded in December.

During the last five years, 4,311 tornadoes have caused 253 deaths and 7,210 injuries.

Tornadoes in the United States, 1958-1982

Year	Tornadoes	Deaths	Year	Tornadoes	Deaths	Year	Tornadoes	Deaths
1958	564	66	**1967**	926	114	**1975**	920	60
1959	604	58	**1968**	660	131	**1976**	835	44
1960	616	46	**1969**	608	66	**1977**	852	43
1961	697	51	**1970**	653	72	**1978**	788	53
1962	657	28	**1971**	888	156	**1979**	852	84
1963	464	31	**1972**	741	27	**1980**	866	28
1964	704	73	**1973**	1,102	87	**1981**	783	24
1965	906	296	**1974**	947	361	**1982**	1,033	64
1966	585	98						

Source: National Oceanic and Atmospheric Administration, U.S. Department of Commerce.

Five Year Totals, Tornadoes by State, 1978-1982

State	Tornadoes	Deaths	Injuries	State	Tornadoes	Deaths	Injuries
Alabama	108	2	223	Montana	31	0	2
Alaska	0	0	0	Nebraska	153	5	214
Arizona	10	0	3	Nevada	3	0	0
Arkansas	185	23	383	New Hampshire	5	0	0
California	42	0	5	New Jersey	7	0	0
Colorado	163	0	48	New Mexico	34	0	0
Connecticut	2	3	500	New York	21	0	2
Delaware	2	0	5	North Carolina	64	4	35
District of Columbia	0	0	0	North Dakota	121	5	35
Florida	370	7	412	Ohio	92	4	171
Georgia	89	0	66	Oklahoma	274	16	488
Hawaii	5	0	0	Oregon	1	0	0
Idaho	7	0	2	Pennsylvania	67	2	187
Illinois	107	15	347	Rhode Island	0	0	0
Indiana	86	6	73	South Carolina	42	0	73
Iowa	179	13	183	South Dakota	164	1	21
Kansas	172	23	94	Tennessee	48	2	55
Kentucky	38	3	95	Texas	825	70	2,216
Louisiana	107	6	343	Utah	5	0	0
Maine	3	0	0	Vermont	1	0	0
Maryland	23	0	18	Virginia	28	2	33
Massachusetts	4	2	6	Washington	12	0	0
Michigan	84	6	123	West Virginia	18	1	19
Minnesota	110	6	153	Wisconsin	121	7	135
Mississippi	68	11	186	Wyoming	98	1	49
Missouri	136	7	207	Puerto Rico	2	0	0
				Countrywide Totals	4,311*	253	7,210

**Corrected for boundary-crossing tornadoes.*

Source: National Oceanic and Atmospheric Administration, U.S. Department of Commerce.

ACCIDENTAL DEATHS

Accidents in the United States in 1982 took approximately 93,000 lives. The toll was down about 6 percent from the 1981 total.

Deaths were down or unchanged for each class of accident, and reductions ranged from 7 to 11 percent.

Accidental Deaths, 1981-1982

	1982	1981	% Change
All Accidents	93,000	99,000	– 6%
Motor Vehicle	46,000	51,500	–11%
Home	21,000	21,000	0%
Work	11,200	12,100	– 7%
Public (non-motor vehicle)	19,000	19,000	0%

NOTE: Death figures shown for the four separate classifications total more than the "All Accidents" figure due to rounding and because some deaths are included in more than one classification.

Source: National Safety Council.

DEATHS IN HOME ACCIDENTS

Falls and fires, the first and second leading causes of accidental deaths in the home, accounted for approximately half of such fatalities in 1982, according to National Safety Council estimates. The number of deaths attributed to home accidents has been declining for many years, and the 21,000 fatalities recorded in 1982 matched the record low registered in the previous year.

Numbers and Types of Home Accident Deaths, 1973-1982

			Suffocation:		Poisoning by:				
Year	Falls	Fires, Burns*	Ingested Object	Other	Solids, Liquids	Gases, Vapors	Firearms	Other	Total
1973	9,200	5,300	1,900	1,100	3,000	1,000	1,500	3,500	26,500
1974	9,000	5,100	1,800	900	3,200	900	1,400	3,700	26,000
1975	8,000	5,000	1,800	800	3,700	1,000	1,300	3,400	25,000
1976	7,700	5,200	1,800	700	3,300	1,000	1,200	3,100	24,000
1977	7,400	5,000	1,800	800	2,700	1,000	1,100	3,400	23,200
1978	7,400	5,100	1,800	800	2,400	1,100	1,000	3,200	22,800
1979	7,100	4,900	2,000	500	2,500	900	1,100	3,500	22,500
1980	6,600	4,400	1,700	500	2,300	700	1,000	5,800**	23,000
1981	6,700	4,100	1,700	500	2,100	800	1,100	4,000	21,000
1982	6,400	4,100	1,700	600	2,300	800	1,100	4,000	21,000

**Includes deaths resulting from conflagrations, regardless of nature of injury.*

***Includes about 1,000 excessive heat deaths due to summer heat wave.*

Source: National Safety Council estimates.

MOTOR VEHICLE ACCIDENTS

The nation's determination to improve its traffic safety record continued to pay off in 1982 as the number of motor vehicle deaths declined for the third consecutive year and the death rates measured by miles driven and registrations again reached new lows. Despite a fractional increase in the number of accidents, traffic deaths dropped by nearly 11 percent and accident-related injuries were reduced by about 10.5 percent.

The economic cost of motor vehicle accidents continued to rise because of steady increases in the costs of caring for the victims, repairing the damage and providing other related services. However, the estimated economic loss figure of $60.2 billion was only 2.5 percent higher than the 1981 estimate.

The economic loss includes property damage, medical costs, lost productivity, the costs of emergency services, legal and court costs and public assistance programs, and insurance administration expenses.

Motor Vehicle Accidents, 1981-1982

	1982	1981	% Change
Accidents*	28,501,500	28,342,800	+ .6
Deaths**	46,000	51,500	−10.7
Injuries***	4,490,000	5,019,000	−10.5
Economic Loss*	$60,189,000,000	$58,744,140,000	+ 2.5

**Insurance Information Institute estimates based on information from the National Safety Council and the National Highway Traffic Safety Administration.*

***National Safety Council.*

****Insurance Information Institute estimate based on information from the National Center for Health Statistics, National Health Survey, and National Safety Council.*

Traffic Deaths, 1973-1982

Year	Deaths	Annual % Change	Death Rate per 100 Million Vehicle Miles	Ratio of Deaths to Motor Vehicle Registrations	Death Rate per 10,000 Motor Vehicles
1973	55,511		4.24	1 to 2,338	4.28
1974	46,402	−16.4	3.59	1 to 2,907	3.44
1975	45,853	− 1.2	3.45	1 to 3,036	3.33
1976	47,038	+ 2.6	3.33	1 to 3,027	3.28
1977	49,510	+ 5.3	3.35	1 to 3,007	3.33
1978	52,411	+ 5.9	3.39	1 to 2,931	3.41
1979	53,524	+ 2.1	3.50	1 to 2,937	3.35
1980	53,300	− 0.4	3.50	1 to 3,032	3.30
1981	51,500	− 3.4	3.32	1 to 3,190	3.13
1982	46,000	−10.7	2.93	1 to 3,619	2.76

Source: National Safety Council (ratio of deaths to registrations compiled by Insurance Information Institute).

An analysis of the economic cost to society of motor vehicle accidents, based on the nation's traffic accident experience in 1980, was released by the National Highway Traffic Safety Administration in 1983. The overall cost of more than $57 billion was equal to about 2.6 percent of the gross national product in 1980.

Medical costs were found to account for about $3.3 billion of the total, property losses for $21 billion, lost productivity for $14.2 billion and other costs for $18.7 billion.

Among the findings:

• Societal losses growing out of fatalities accounted for about $13.7 billion of the total cost. The cost of injuries was computed at $15.3 billion, and of property damage-only accidents at $21.1 billion. An additional $7 billion resulted from insurance overhead costs borne by consumers.

• The most serious injuries (shown as Injury Levels 4 and 5 in the table below) comprise only 1 percent of all injuries resulting from motor vehicle crashes. However, they account for more than 40 percent of the total cost of medical care.

• Medical costs associated with fatalities had less impact on the overall cost than any other measured factor — only 2 percent of the total.

Despite the high cost of accidents, the study warned, "The true value of the lives and mental capabilities which are destroyed in motor vehicle accidents can never be adequately measured, because the pain, suffering and frustration felt by individual accident victims cannot be measured in economic terms."

The report also commented: "There is considerable evidence to indicate that the most serious injuries are not adequately covered by insurance. Depending on the financial ability and insurance coverage of the individual victims, the medical and rehabilitative costs, as well as the loss in wages resulting from serious injury, can be catastrophic to the victim's economic well-being as the injuries are to their physical and emotional condition."

Summary of Societal Costs of Motor Vehicle Accidents, 1980
(Costs in millions of 1980 dollars)

		Property Damage	Injury Level**						
	Uninvolved*	Only	1	2	3	4	5	Fatality	Total
Medical Costs			$ 543	$ 622	$ 631	$ 335	$1,125	$ 70	$ 3,326
Productivity Losses			319	251	313	451	801	12,102	14,237
Property Loss		$16,984	2,656	612	424	100	33	174	20,983
Other Losses	$7,070	4,127	3,933	590	684	640	245	1,384	18,653
Total	$7,070	$21,111	$7,451	$2,075	$2,052	$1,526	$2,204	$13,730	$57,199

**Represents costs borne by owners of all motor vehicles not involved in accidents.*

***On scale, 1 represents the least serious and 5 the most serious injury types.*

Source: National Highway Traffic Safety Administration.

THE DRINKING DRIVER

Progress was made in the fight against drunk driving during 1982 and 1983, with the property/casualty insurance industry playing a major role.

The problem of drunk driving, which causes some 25,000 deaths on the highways each year, was brought to public attention by citizens' groups such as Mothers Against Drunk Drivers (MADD), Remove Intoxicated Drivers (RID), and Students Against Driving Drunk (SADD) — formed primarily by relatives and friends of victims of drunk drivers. The print and broadcast media devoted major stories and documentaries to the subject, and property/casualty insurers joined the fight with a major advertising campaign conducted by the Insurance Information Institute.

In April 1982, President Reagan established the Presidential Commission on Drunk Driving, naming former Massachusetts Gov. John Volpe as chairman. In the fall, the Insurance Information Institute and the American Insurance Association cosponsored the International Symposium on Alcohol and Driving, which brought together top public and private-sector leaders to discuss the best strategies against drunk driving.

In appearances before the Presidential Commission, the Insurance Information Institute and other industry organizations urged the creation of a permanent group to succeed the commission when it expired. In the fall of 1983, a 15-member successor organization, the National Commission Against Drunk Drivers, was named with Volpe as chairman. It will operate through the National Safety Council.

Congress, meanwhile, enacted legislation providing for incentive grants to states passing stricter drunk driving statutes and improving their enforcement. By the time the federal legislation was passed, 23 states already had enacted stiffer drunk driving laws, and more states followed suit in 1983.

Many states have reduced fatalities by increasing the drinking age or adopting proven deterrents such as roadside sobriety checks and suspended licenses. By Aug. 1, 1983, an Insurance Information Institute survey showed 17 states had a drinking age of 21 for all alcoholic beverages. Alaska and Delaware were scheduled to go to the 21 drinking age in January 1984, and six other states had legislation pending to raise the drinking age to 21. Only four states — Hawaii, Louisiana, Vermont and Wisconsin — still maintain a drinking age of 18. Key findings of the survey are summarized in the table on Pages 72 and 73

Other measures taken against drunk driving in many states include establishment of minimum blood alcohol concentrations as evidence of intoxication, mandatory testing of drunk driving suspects, license suspension or revocation, treatment and education programs for offenders, and steeply graduated fines and jail terms for subsequent offenses.

State	Drinking age	1st offense license suspension	State task force	Blood Alcohol Concentration (BAC) defining Driving While Intoxicated (DWI)
Alabama	19	90 days	Yes	0.10
Alaska	21 (1/84)	90 days (10/83)	No	0.10
Arizona	19	30 days	Report issued	0.10
Arkansas	21	90 days-1 yr.	Report issued	0.10
California	21	None	Report issued	0.10
Colorado	21; 18, 3.2 beer	1 yr. (.15 BAC)	Yes	0.15[1]
Connecticut	20 (10/83)	6 mos. (10/83)	Yes	0.10
Delaware	21 (1/84)	3 mos.	Yes	0.10[1]
District of Columbia	21; 18, beer & wine	6 mos.	No	0.10[1]
Florida	19	6 mos.	Yes	0.10
Georgia	19	1 yr.	Report issued	0.12[1]
Hawaii	18	90 days	Report issued	0.10
Idaho	19	180 days	No	0.10[1]
Illinois	21	1 yr. max.	No	0.10
Indiana	21	60 days-1 yr.	Yes	0.10
Iowa	19	120 days	Report issued	0.13[1]
Kansas	21; 18, 3.2 beer	Limited use	Report issued	0.10
Kentucky	21	None	Yes	0.10
Louisiana	18	60 days	Yes	0.10
Maine	20	45-90 days	Yes	0.10
Maryland	21	60 days max.	Report issued	0.13
Massachusetts	20	30 days-1 yr.	Report issued	0.10
Michigan	21	6 mos.-1 yr.	Yes	0.10
Minnesota	19	30 days	Yes	0.10
Mississippi	21; 18, 3.2 beer	90 days-1 yr.	Report issued	0.10
Missouri	21	90 days	Yes	0.13[1]
Montana	19	6 mos.	No	0.10
Nebraska	20	6 mos.	Yes	0.10
Nevada	21	90 days	No	0.10
New Hampshire	20	90 days	Report issued	0.10
New Jersey	21	6 mos.	No	0.10
New Mexico	21	None	Report issued	0.10
New York	19	6 mos.	Report issued	0.10
North Carolina	21; 19 beer & wine	1 yr.	Report issued	0.10
North Dakota	21	91 days	Yes	0.10
Ohio	21; 19, beer	60 days	Yes	0.10
Oklahoma	21	1 yr.	No	0.10
Oregon	21	1 yr.	Yes	0.08 (10/83)
Pennsylvania	21	1 yr.	Report issued	0.10
Rhode Island	20	3-6 mos.	No	0.10
South Carolina	21; 18, beer & wine	6 mos.	Yes	0.10
South Dakota	21; 18, 3.2 beer	30 days	No	0.10
Tennessee	19	1 yr.	No	0.10
Texas	19	1 yr. max.	Report issued	0.10[1]
Utah	21	90 days	Report issued	0.08
Vermont	18	1 yr.	No	0.10
Virginia	21; 19, beer	6 mos.	Report issued	0.10
Washington	21	90 days	Report issued	0.10
West Virginia	19	6 mos.	Report issued	0.10
Wisconsin	18	3 mos.	No	0.10
Wyoming	19	90 days	No	0.10

**NOTE: All data are as of Aug. 1, 1983.*

[1]*Higher of "presumed intoxicated" or "defined as intoxicated" BAC number.*

Source: Insurance Information Institute.

O CURB DRUNK DRIVING*

MADD, SADD and RID chapters	Pending legislation	Existing measures
MADD, SADD, RID		Dram shop liability[2]
MADD, SADD, RID		
MADD, SADD		
MADD, SADD, RID	Mandatory rehabilitation	
MADD, SADD	Simplified legislation to clarify laws	Toll-free number to report DWI suspects
MADD, SADD, RID	Drinking age 21; revocation 0.10 BAC	REDDI[3] line; admin. lic revocation; dram shop[2]
SADD, RID		Dram shop liability[2]
MADD, SADD		
SADD		
MADD, SADD, RID		Statewide rehabilitation program
MADD, SADD, RID	Drinking age 21; dram shop liability[2]	
SADD		
SADD, RID		Toll-free REDDI[3] hot line
SADD, RID		Dram shop liability[2]
MADD, SADD, RID		
MADD, SADD, RID	Drinking age 21; REDDI[3] program	Toll-free line; CB radio watch; Dram shop liability[2]
MADD, SADD, RID	Driving while impaired 0.05-0.10 BAC	REDDI[3] hot line
MADD, SADD, RID		
MADD, SADD		Mandatory education and community service
SADD		
MADD, SADD		
MADD, SADD, RID	Drinking age 21	Dram shop liability[2]
MADD, SADD, RID		Dram shop liability[2]
MADD, SADD		Dram shop liability[2]
MADD, SADD, RID		
MADD, SADD, RID		REDDI[3] program; administrative license revocation
SADD		Montanans Against Drunk Drivers organization
MADD, SADD	Age 21; open container; license revocation	REDDI[3] program; trooper incentive program
MADD, SADD		New law: 2 days in jail or 48 hours of public service
MADD, SADD, RID		
MADD, SADD, RID		$1,000 license surcharge for convicted drivers
MADD, SADD		
MADD, SADD, RID	Blood tests for drivers in serious accidents	"STOP DWI" education program, dram shop[2]
MADD, SADD, RID		Limited dram shop liability[2]
MADD, SADD		Dram shop liability[2]
MADD, SADD, RID	Education program for first offenders	REDDI[3] program; dram shop liability[2]
MADD, SADD, RID	BAC to .05; breath tests for serious accidents	
MADD, SADD		Dram shop[2]; REDDI[3] program; CB reporting system
MADD, SADD, RID		Dram shop liability[2]
MADD, SADD		Toll-free hot line; Dram shop liability[2]
MADD, SADD, RID	Drinking age 20 (beer & wine); open container law	
SADD		
MADD, SADD, RID		Mandatory education requirement
MADD, SADD, RID		Hot line program
SADD, RID		Dram shop liability[2]
MADD, SADD, RID		Drinking age 19 vetoed by governor; dram shop[2]
MADD, SADD		
MADD, SADD		Toll-free hot line; CB radio reporting system
MADD, SADD		Administrative license suspension
MADD, SADD, RID		Dram shop liability[2]
SADD	Age 21; BAC .08; no plea bargaining at .10	Toll-free REDDI[3] hot line; Dram shop liability[2]

[2]Dram shop liability refers to a statute holding a retail server of alcohol responsible for its consequences.
[3]REDDI is an acronym for Report Every Drunk Driver Immediately.

SEX OF DRIVERS

Males comprised about 52.8 percent — some 78,700,000 — of the nation's estimated 149,100,000 drivers in 1982. While males are involved as drivers in more than twice as many accidents as are females, the National Safety Council attributes the difference at least partly to the amount of driving done by members of each sex and to differences in the times, places and circumstances that the driving is done.

On the basis of the numbers of miles driven, the rate of involvement in all accidents in recent years has ranged from 4 to 12 percent higher among males than among females. In fatal accidents, however, the involvement rate of male drivers is more than double that of female drivers.

Sex of Drivers Involved in Accidents, 1973-1982

	Drivers in All Accidents				Drivers in Fatal Accidents			
	Male		Female		Male		Female	
Year	Number	Rate*	Number	Rate*	Number	Rate**	Number	Rate**
1973	20,200,000	227	7,900,000	189	55,900	63	11,400	27
1974	17,800,000	205	7,300,000	177	48,000	55	9,800	24
1975	19,100,000	212	8,400,000	195	46,500	52	9,600	22
1976	19,600,000	206	8,800,000	191	48,100	51	10,900	24
1977	20,600,000	209	9,300,000	193	51,900	53	11,800	25
1978	21,700,000	209	9,800,000	192	51,500	50	15,500	30
1979	20,600,000	202	9,100,000	180	52,700	52	12,500	25
1980	20,100,000	200	9,700,000	192	56,100	56	12,200	24
1981	20,500,000	200	9,500,000	183	53,200	52	11,800	23
1982	20,600,000	198	9,900,000	186	48,800	47	11,500	22

**Number of drivers in all accidents per 10,000,000 miles driven.*

***Number of drivers in fatal accidents per 1,000,000,000 miles driven.*

Source: National Safety Council estimates.

TYPES AND LOCATIONS OF AUTO ACCIDENTS

Although a preponderance of the nation's highway accidents occur in urban locations, nearly two-thirds of all fatal accidents — and the resulting fatalities — occur in rural areas. National Safety Council compilations show that in 1982 only 28 percent of all motor vehicle accidents, but 62 percent of the fatal accidents, happened in rural places. Rural accidents accounted for 62 percent of all highway fatalities but only 44 percent of non-fatal injuries.

The urban-rural proportions vary considerably for specific types of accidents, however. About 70 percent of all pedestrian fatalities, for example, occur in urban areas, while rural accidents account for about

three out of every four deaths resulting from noncollision accidents and from collisions involving two or more motor vehicles. Conversely, the injury rate is greater in urban areas in accidents involving more than one car.

Motor Vehicle Deaths and Injuries by Type of Accident, 1982

Type of Accident	Deaths			Injuries		
	Total	Urban	Rural	Total	Urban	Rural
Collision with:						
Pedestrian	8,600	6,100	2,500	90,000	75,000	15,000
Other motor vehicle	18,900	4,800	14,100	1,170,000	690,000	480,000
Railroad train	600	300	300	4,000	2,000	2,000
Pedalcycle	1,100	700	400	50,000	40,000	10,000
Animal, animal-drawn vehicle	100	*	100	6,000	3,000	3,000
Fixed object	3,600	2,200	1,400	80,000	50,000	30,000
Noncollision	13,100	3,300	9,800	300,000	90,000	210,000
Total	46,000	17,400	28,600	1,700,000	950,000	750,000

**Fewer than five.*

Source: National Safety Council estimates.

CLAIM COSTS, AUTO ACCIDENTS

The costs of insurance claim settlements and court awards resulting from auto accidents have risen steadily in recent years. From 1973 through 1982, the average paid bodily injury claim rose 137.2 percent from $2,125 to $5,041; the average paid property damage liability claim climbed approximately 155.5 percent from $375 to $958.

Countrywide Average Paid Claim Costs*
Liability Insurance, Private Passenger Cars

Year	Bodily Injury	Property Damage	Year	Bodily Injury	Property Damage
1973	$2,125	$375	1978	$3,123	$622
1974	2,472	397	1979	3,559	715
1975	2,646	445	1980	4,010	787
1976	2,583	490	1981	4,453	889
1977	2,890	544	1982	5,041	958

**For all limits combined, and including all loss adjustment expenses. Dollar averages exclude Massachusetts (for all years) and most states which have no-fault automobile insurance laws.*

NOTE: An apparent decline in 1976 in the amount of the average paid bodily injury claim is the result of an adjustment resulting from a change in the data base, and does not necessarily reflect an improvement in the claims experience. The revised data base has been applied to all claims figures for 1976 and succeeding years, but not to the figures for earlier years.

Source: Insurance Services Office.

ACCIDENTS BY AGE OF DRIVERS

Compilations based on reports from state traffic authorities show that drivers under age 30 are involved in a disproportionately high number of traffic accidents. In 1982, drivers in that age group comprised 33.9 percent of the motoring population of the United States, but comprised 50.2 percent of the drivers involved in all accidents and 49.1 percent of the drivers in fatal accidents. The highest accident involvement rate (31 per 100 drivers) was shared by drivers in the 20-24 and 25-29 age brackets; the highest fatal accident involvement rate (70 per 100,000 drivers) was that of motorists in the 20-24 age group.

Accidents by Age of Drivers, 1982

Age Group	Number of Drivers	% of Total	Drivers in All Accidents	% of Total	Drivers in Fatal Accidents	% of Total	Accident Involvement Rate All*	Accident Involvement Rate Fatal**
Under 20	14,700,000	9.9	4,200,000	13.8	8,300	13.8	29	56
20-24	17,800,000	11.9	5,500,000	18.0	12,500	20.7	31	70
25-29	18,000,000	12.1	5,600,000	18.4	8,800	14.6	31	49
30-34	17,200,000	11.6	4,400,000	14.4	7,600	12.6	26	44
35-39	14,200,000	9.5	2,200,000	7.2	4,500	7.5	15	32
40-44	12,000,000	8.1	2,000,000	6.5	4,500	7.5	17	38
45-49	11,200,000	7.5	1,500,000	4.9	3,200	5.3	13	29
50-54	11,800,000	7.9	1,200,000	3.9	2,400	4.0	10	20
55-59	10,300,000	6.9	1,200,000	3.9	2,300	3.8	12	22
60-64	7,800,000	5.2	900,000	3.0	2,000	3.3	12	26
65-69	6,600,000	4.4	900,000	3.0	1,400	2.3	14	21
70-74	4,500,000	3.0	300,000	1.0	1,100	1.8	7	24
75 and over	3,000,000	2.0	600,000	2.0	1,700	2.8	20	57
Total	149,100,000	100.0	30,500,000	100.0	60,300	100.0	20	40

**Drivers in all accidents per 100 drivers in each age group.*

***Drivers in fatal accidents per 100,000 drivers in each age group.*

Source: National Safety Council.

AUTOMOBILE REPAIR COSTS

The cost of repairing automobiles continues to climb because of steady increases in the costs of parts and labor. A 1983 study by the Alliance of American Insurers showed that to buy all the replacement parts for the 1983 model of one popular American-made intermediate size car would cost $35,230 — almost 3.5 times the original sticker price of $10,121. The replacement cost figure (the study assumed the car to have been demolished) does not include labor charges. Rising insurance rates reflect the fact that coverages that pay for damage to the vehicle itself typically account for about two-thirds of the total cost of an insurance policy on a late-model car.

A study of labor rates in key areas around the country indicates a range of $14.84 to $30.33 an hour in April 1983 and an average hourly rate of $18.60—up from $18.15 in January (see table, Page 50). The table below reflects a 150 percent increase in an eight-year period in the cost of replacing frequently damaged parts of the same popular model 1975 car.

Cost of Replacing Selected Parts, 1975 and 1983

	1975 Chevrolet Impala 4-door sedan damaged in:			
	April 1975		April 1983	
	Parts	Labor*	Parts	Labor**
Front Bumper Assembly	$196.68	$ 34.27	$ 537.70	$ 59.52
Radiator Grille Assembly	81.35	20.35	225.15	35.34
Hood Assembly	159.10	14.99	425.40	26.04
Front Fender Assembly (one side)	147.66	39.63	357.91	68.82
Total	$584.79	$109.24	$1,546.16	$189.72
Total Parts & Labor		$694.03		$1,735.88

*$10.71 an hour.

**$18.60 an hour.

Sources: Parts costs, Motor Crash Estimating Guides, April 1975 and April 1983; labor costs, Allstate Insurance Company.

LOW-SPEED CRASH TESTS

Some 1983-model cars have become much more vulnerable to high-cost damage in low-speed impacts as a result of a government-authorized change in bumper systems, according to the Insurance Institute for Highway Safety (IIHS).

In a series of crash tests, cars equipped with 5 mph bumpers meeting the former "no damage" standard were compared with later models equipped with 2.5 mph bumpers which have been allowed by the National Highway Traffic Safety Administration since June 1982. The new rule permits unlimited damage to the bumper system, but no body damage, in 2.5 mph impacts.

IIHS said it tested cars of three auto makers in 5 mph front and rear barrier impacts, 5 mph front angle barrier impacts, 10 mph front barrier impacts and 5 mph rear-into-pole impacts. In virtually all of the tests, repair costs for the models equipped with 2.5 mph bumpers far exceeded the costs of repairing those with 5 mph bumpers. For example, the 1983 Honda Accord LX with 2.5 mph bumpers sustained $2,320 more in damage repair costs than did the 1982 model of the same car with 5 mph bumpers.

When driven directly or backed into barriers at 5 mph, all models with 5 mph bumpers escaped damage-free. The models with 2.5 mph

bumpers sustained damage ranging from $66 to $299 in the frontal barrier impacts and from $128 to $198 in the rear-end tests.

"The bumpers on these cars manufactured by Chrysler, Honda and Volvo are the first examples of performance degradation allowed by the new, weaker federal bumper standard," an IIHS executive commented. "The new 2.5 mph bumpers will cost the public considerable additional money, time and bother in increased repairs, delays and inconvenience."

"Fortunately for car buyers," the spokesman noted, "some manufacturers are promising to continue for the time being to sell cars with 5 mph bumpers."

Front-End Crash Test Results, Selected 1982-1983 Models

DAMAGE REPAIR COSTS*

Make and Model	Model Year	Bumper System	5 mph Barrier	5 mph Angle Barrier	10 mph Barrier
Honda Accord LX	1982	5 mph	$ 0	$459	$ 578
	1983	2.5 mph	299	880	1,402
Honda Civic 1500 DX	1982	5 mph	0	377	532
	1983	2.5 mph	188	455	592
Plymouth Horizon	1983	5 mph	0	29	418
	1983	2.5 mph	66	223	846
Plymouth Reliant	1983	5 mph	0	267	809
	1983	2.5 mph	172	181	689
Volvo GL	1982	5 mph	0	143	613
	1983	2.5 mph	138	745	838

**All repair costs shown reflect January 1983 parts prices and a labor rate of $17 per hour.*

Source: Insurance Institute for Highway Safety.

Rear-End Crash Test Results, Selected 1982-1983 Models

DAMAGE REPAIR COSTS*

Make and Model	Model Year	Bumper System	5 mph Barrier	5 mph Pole
Honda Accord LX	1982	5 mph	$ 0	$158
	1983	2.5 mph	198	736
Honda Civic 1500 DX	1982	5 mph	0	174
	1983	2.5 mph	157	423
Plymouth Horizon	1983	5 mph	0	0
	1983	2.5 mph	181	193
Volvo GL	1982	5 mph	0	0
	1983	2.5 mph	128	335

**All repair costs shown reflect January 1983 parts prices and a labor rate of $17 per hour.*

NOTE: 1983 Plymouth Reliants have 2.5 mph bumpers only on the front end; 5 mph bumpers were retained in the rear. Consequently, rear-end crash tests were not performed.

Source: Insurance Institute for Highway Safety.

AUTO COLLISION INSURANCE CLAIMS

In all size groups, sports and specialty cars had the worst — and station wagons the best — collision coverage loss experience of 1982 model year cars during their first year of availability, according to the Highway Loss Data Institute (HLDI). Among cars of compact size or smaller, the average cost of collision claims for regular two-door models was higher than for regular four-door models or station wagons.

The study results are based on data provided by 11 auto insurers, and reported separately for high-volume and low-volume cars.

Among the high-volume vehicles, the four-door Oldsmobile Delta 88 had the best collision coverage loss experience with loss payments per insured vehicle year averaging 45 percent less than the average result for all 1982 models combined. Of the low-volume cars, the four-door Mercury Marquis and the two-door Buick LeSabre had the best records. The worst results were those for the Mazda RX-7 among the high-volume cars and the Chevrolet Corvette among the low-volume models.

The table on the next page lists the five cars in the high-volume and low-volume groupings with the best and worst collision loss experience based on average loss payments per insured vehicle year. Seven of the 10 on the "worst" list and only one on the "best" list were imported models.

The chart on the next page compares the collision loss experience of the 1982 models by car size and body style group.

The table below summarizes collision coverage results for each year following the introduction of 1980, 1981 and 1982 models. In developing the relative figures on which the second table and the chart are based, HLDI standardized the actual frequency and dollar results to minimize any differences that might be attributable to variations in the mix of deductible amounts and operator age groups among different vehicles.

Collision Coverages
Loss Payment Summary by Model Year and
Years Since Introduction
1980-1982 Model Year Passenger Cars

Years since introduction	Claim Frequency Per 100 Insured Vehicle Years			Average Loss Payment per Claim			Average Loss Payment Per Insured Vehicle Year		
	1982 Models	1981 Models	1980 Models	1982 Models	1981 Models	1980 Models	1982 Models	1981 Models	1980 Models
1st	9.8	9.5	9.8	$1,385	$1,352	$1,217	$136	$128	$119
2nd		9.7	9.7		1,300	1,238		126	120
3rd			9.0			1,243			112
All	9.8	9.6	9.4	$1,385	$1,312	$1,238	$136	$127	$116

Source: Highway Loss Data Institute.

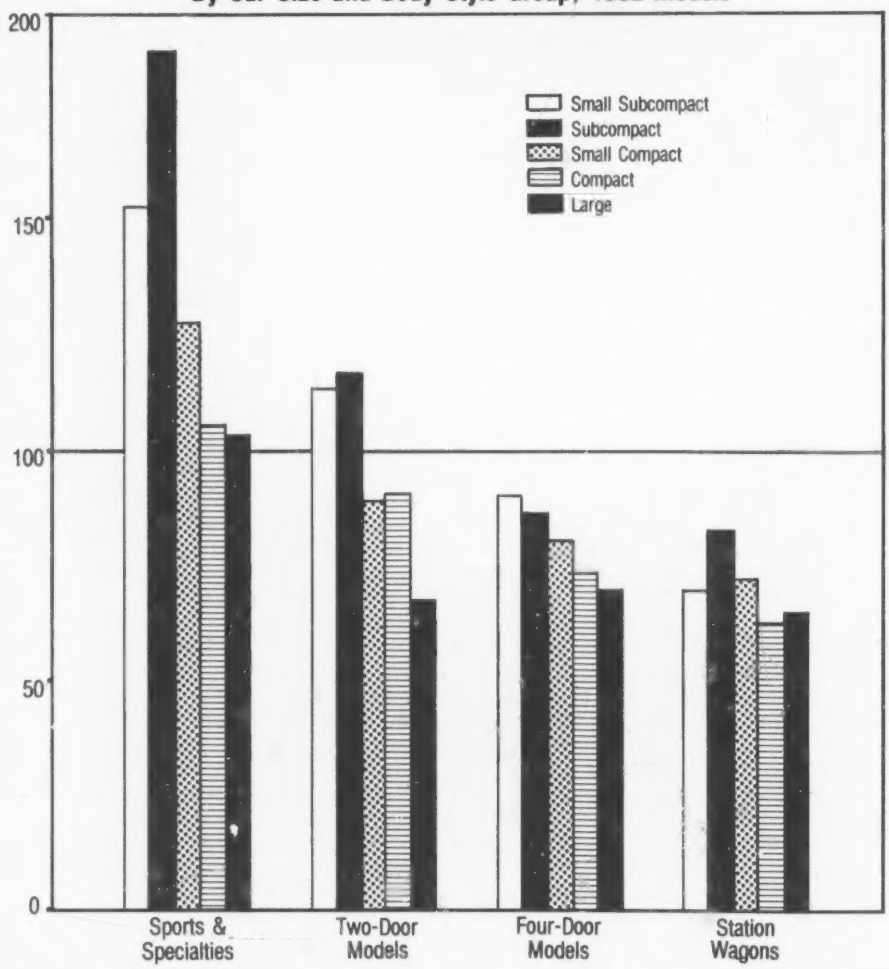
Relative Average Loss Payments Per Insured Vehicle Year for 1982 Model Year Cars With the Best and Worst Collision Coverage Loss Experience

	Best			Worst		
HIGH VOLUME (At least 1% of total exposure)	Oldsmobile Delta 88	4-Door	55	Mazda RX-7	Sports	197
	Ford Escort	Sta. Wgn.	61	Chevrolet Camaro	Sports	180
	Chevrolet Cavalier	Sta. Wgn.	64	Ford Mustang	2-Door	140
	Honda Accord	4-Door	73	Toyota Celica	2-Door	135
	Oldsmobile Cutlass	4-Door	75	Datsun 210	2-Door	132
LOW VOLUME (Less than 1% of total exposure)	Mercury Marquis	4-Door	44	Chevrolet Corvette	Sports	274
	Buick LeSabre	2-Door	44	Datsun 210 ZX	Sports	234
	Buick Regal	Sta. Wgn.	52	BMW 320i	Sports	233
	Pontiac Bonneville	Sta. Wgn.	55	Datsun 280 ZX 2+2	Sports	193
	Buick Century	2-Door	58	Dodge Challenger	2-Door	193

**100 represents $136, the average loss payment per insured vehicle year for all 1982 models.*

Source: Highway Loss Data Institute.

Collision Coverages
Relative Average Loss Payments Per Insured Vehicle Year By Car Size and Body Style Group, 1982 Models



Source: Highway Loss Data Institute.

AUTOMOBILE PERSONAL INJURY INSURANCE CLAIMS

American-made intermediate size cars, especially four-door models and station wagons, continue to have the best overall record of personal injury insurance claims in auto crashes, according to a 1982 study by the Highway Loss Data Institute (HLDI). As in the past years, foreign-made subcompacts and small subcompacts, most of them two-door models, were shown to have the worst loss experience.

The survey of medical claim frequencies for injuries to occupants of 1979-1981 model cars was based on "no-fault" personal injury protection experience in 19 states. Claim frequency results were calculated for all medical claims and also for medical claims exceeding $250, $500 and $1,000, using data provided by 10 auto insurance companies.

The model with the best experience was the Oldsmobile Toronado, with an overall relative claim frequency rate 41 percent below the average. The Toronado, an intermediate size specialty car, also headed the list in a similar study conducted in 1980 and tied for top a year later.

Fifteen models were found to have at least one claim frequency result that was more than 30 percent better than average, as shown in the table at the top of the next page. The list includes eight regular four-door models, six station wagons and one specialty model. All 15 models were manufactured in the United States, 12 of them by General Motors.

The four-door Buick LaSabre had the lowest relative frequency of claims exceeding $250 and the Buick Century Station Wagon had the lowest frequency of claims greater than $500.

For the second year in a row, the Japanese-built Dodge Challenger had the poorest experience with a relative claim frequency 60 percent higher than the average.

As shown in the second table on the following page, 14 models had at least one claim frequency more than 30 percent worse than the all-car result for any of the claim size categories. Most of the 14 were small, regular two-door models, and there were no four-door models or station wagons among the cars with the worst injury loss experience. Twelve of the 14, including the first six, were imported models from Japan.

HLDI noted that the results showed "a general pattern of improving loss experience in each body style group with increasing car size." Station wagons were found to have the lowest overall claim frequencies in each size class and four-door models consistently had lower claim frequencies than two-door models of the same size.

Tabulations of cars with the best and the worst loss experience are presented in relative terms, with 100 representing the average claim frequency for all passenger cars.

1979-1981 Passenger Cars with the Best Loss Experience
Relative Injury Claim Frequencies, Personal Injury Protection Coverages

Model Years	Make & Series	Body Style	Car Size*	All	Relative Claim Frequencies By Size of Claim** Over $250	Over $500	Over $1,000
1979-1981	Oldsmobile Toronado	Spec.	I	59	68	68	67
1979-1981	Mercury Marquis	Sta. Wgn.	I	61			
1979-1981	Oldsmobile Custom Cruiser	Sta. Wgn.	I	62	70		
1979-1981	Pontiac Catalina	4-Door	I	64			
1979-1981	Oldsmobile Ninety-Eight	4-Door	I	65	76	74	78
1979-1981	Oldsmobile Cutlass	Sta. Wgn.	C	66	67	67	69
1979-1981	Chevrolet Caprice	Sta. Wgn.	I	67	65	68	63
1979-1981	Buick LeSabre	4-Door	I	69	63	66	64
1979-1981	Buick LeSabre	Sta. Wgn.	I	69			
1979-1981	Mercury Marquis	4-Door	I	71	69	66	68
1979-1981	Oldsmobile Cutlass	4-Door	C	73	66	66	70
1979-1981	Chrysler Newport	4-Door	I	73	75	68	
1980-1981	Chevrolet Citation	4-Door	SC	80	75	69	65
1979-1981	Buick Century	Sta. Wgn.	C	82	66	61	
1980-1981	Oldsmobile Omega	4-Door	SC	84	74	67	

**SC (Small Compact): Wheelbase 102-106 inches; C (Compact): Wheelbase 107-111 inches; I (Intermediate): Wheelbase 112-120 inches.*

***Numbers reflect the frequency of claims for each model relative to the value 100 which represents the average for all models.*

Source: Highway Loss Data Institute.

1979-1981 Passenger Cars With the Worst Loss Experience
Relative Injury Claim Frequencies, Personal Injury Protection Coverages

Model Years	Make & Series	Body Style	Car Size*	All	Relative Claim Frequencies By Size of Claim** Over $250	Over $500	Over $1,000
1979-1981	Dodge Challenger	2-Door	S	160			
1979-1981	Plymouth Sapporo	2-Door	S	148			
1980-1981	Datsun 200 SX	2-Door	SS	141	136	140	156
1981	Toyota Corolla	2-Door	SS	138	139	133	
1979-1981	Datsun 210	2-Door	SS	136	137	145	145
1980-1981	Toyota Corolla Tercel	2-Door	S	134	128	126	134
1979-1981	Dodge Omni	2-Door	S	134	123	122	120
1979-1981	Plymouth Champ	2-Door	SS	132	132	123	125
1979-1981	Honda Civic	2-Door	SS	131	133	133	131
1979-1981	Toyota Celica Supra	Sports	SC	129	135		
1979-1981	Dodge Colt	2-Door	SS	124	127	127	133
1979-1981	Honda Prelude	Sports	SS	122	125	135	137
1979-1981	Buick Electra	2-Door	I	121	135	145	
1979-1981	Mazda RX-7	Sports	SS	121	131	130	134

**SS (Small Subcompact): Wheelbase up to 96 inches; S (Subcompact): Wheelbase 97-101 inches; SC (Small Compact): Wheelbase 102-106 inches; I (Intermediate): Wheelbase 112-120 inches.*

***Numbers reflect the frequency of claims for each model relative to the value 100 which represents the average for all models.*

Source: Highway Loss Data Institute.

INSURED AUTOMOBILE THEFT LOSSES

Sports and specialty cars, especially the low-volume models, continue to be the favorite target of automobile thieves. In a report issued in May, 1983, the Highway Loss Data Institute (HLDI) said that sports and specialty cars accounted for only 19 percent of the total exposure for 1982 models but 38 percent of the paid theft claims and more than 53 percent of the dollar payments.

The study took into account any theft losses paid under the comprehensive portion of auto insurance policies, including in some cases items stolen from cars.

HLDI noted huge variations in the theft loss experience of different cars. On the basis of average loss payments per insured vehicle year, which combines claim frequency with average loss payments, the Ford Escort station wagon had a theft record more than seven times lower than the all-car average while the theft experience of the Chevrolet Corvette was nearly 20 times higher than the average. The Corvette also had the worst theft loss record among the 1981 models.

From the standpoint of theft claim frequency, the BMW 320i had the poorest results for each of the last two model years, 1982 and 1981. The two-door Ford Mustang had the highest claim frequency among the high-volume 1982 models. Cars with the lowest frequency were the Ford Escort station wagon in the high-volume group and the Pontiac J2000 among the low-volume vehicles.

Generally, station wagons had the lowest theft losses and larger cars had lower theft losses than similarly styled smaller models. HLDI noted that station wagons, as a group, accounted for 10 percent of the total 1982 model year exposure but less than 3 percent of the total dollars paid out for theft claims.

The table below reflects, for 1982 and 1981 models, the findings by car size relative to the results for all vehicles combined, with 100 representing the average for all passenger cars of each model year. Thus, a designation of 61 for a 1982 small subcompact means a result which is 39 percent better than that of all 1982 passenger cars combined. The second table on the next page lists the 1982 models with the lowest and the highest relative frequencies of theft claims.

Loss Experience Summary by Vehicle Size and Model Year — Theft Losses

Car Size Group	Relative Claim Frequency		Relative Average Loss Payment per Claim		Relative Average Loss Payment per Insured Vehicle Year	
	1982 Models	1981 Models	1982 Models	1981 Models	1982 Models	1981 Models
Two-Door Models						
Small Subcompact	61	53	72	73	44	38
Subcompact	91	99	61	63	56	62
Small Compact	47	67	62	56	29	38

Insured Automobile Theft Losses (continued)

Car Size Group	Relative Claim Frequency 1982 Models	Relative Claim Frequency 1981 Models	Relative Average Loss Payment per Claim 1982 Models	Relative Average Loss Payment per Claim 1981 Models	Relative Average Loss Payment per Insured Vehicle Year 1982 Models	Relative Average Loss Payment per Insured Vehicle Year 1981 Models
Compact	124	107	156	162	193	174
Large	158	173	83	84	132	146
Four-Door Models						
Small Subcompact	66	87	63	54	42	47
Subcompact	72	47	53	55	38	26
Small Compact	55	48	91	54	50	26
Compact	81	78	105	89	85	70
Large	148	152	70	71	104	108
Station Wagons						
Small Subcompact	32	23	65	66	21	15
Subcompact	30	54	69	30	21	16
Small Compact	49	56	27	42	13	24
Compact	**	51	**	51	**	26
Large	122	125	54	43	66	54
Sport & Specialty						
Small Subcompact	110	151	132	166	145	250
Subcompact	240	515	159	198	382	1,017
Small Compact	201	274	131	106	263	290
Compact	214	233	101	101	216	235
Large	243	198	161	201	392	397
Actual Value of 100 Base	15.5*	15.2*	$1,657	$1,439	$25.60	$21.90

**Frequencies of cains per 1,000 insured vehicle years.*

***Subgroup had insufficient exposure for reporting.*

Source: Highway Loss Data Institute

1982 Model Year Cars With The Lowest and Highest Relative Frequencies of Theft Claims*

	Lowest Frequency			Highest Frequency		
HIGH VOLUME (At least 1% of total exposure)	Ford Escort	Sta. Wgn.	21	Ford Mustang	2-Door	171
	Ford Escort	4-Door	24	Chevrolet Monte Carlo	Spec.	140
	Ford Escort	2-Door	27	Buick Regal	2-Door	128
	Chevrolet Cavalier	2-Door	28	Chevrolet Camaro	Sports	128
	Chevrolet Chevette	4-Door	33	Oldsmobile Cutlass	2-Door	123
				Pontiac Grand Prix	Spec.	123
LOW VOLUME (Less than 1% of total exposure)	Pontiac J2000	4-Door	21	BMW 320i	Sports	845
	Mercury Lynx	2-Door	22	Chevrolet Corvette	Sports	791
	Plymouth Horizon	2-Door	29	Ford Thunderbird	Spec.	701
	Chevrolet Chevette	2-Door	39	Audi 5000	Sports	625
	Buick Century	4-Door	46	Volkswagen Scirocco	2-Door	610

**100 represents he average frequency of 15.5 claims per 1,000 insured vehicle years for all 1982 cars.*

Source: Highway Loss Data Institute.

ACCIDENTS AT WORK

The accident record of the nation's workplaces showed marked improvement in 1982 with significant reductions in both the fatality and the injury rates and an unusual decline in the dollar cost of job-related accidents.

Data compiled by the National Safety Council reflect a 6.7 percent decline from 1981 to 1982 in the number of fatalities per 100,000 workers and an 8.7 percent drop in the number of injuries per 100,000 persons in the employed labor force. The number of on-the-job fatalities declined for the fourth consecutive year.

After climbing steadily for many years, the estimated dollar cost of work accidents turned downward in 1982. A 2.6 percent drop in the economic loss figure came on the heels of an increase of almost 7.9 percent in the preceding year. While the dollar loss figure of $29.4 billion was more than 5.6 times that of 1960 and 2.6 times that of 1970, the general upward trend should be interpreted in terms of a growing workforce (a decline in 1982 was the first since 1975) and a steady diminution in the value of the dollar. Applying these factors in terms of a constant 1967 dollar, the cost of occupational accidents averaged $102.21 per worker in 1982 as compared to $75.36 in 1960 and $87.42 in 1970.

The cost of work accidents includes wages lost and medical expenses, as well as indirect loss resulting from damage to equipment and materials, production delays, time lost by workers not involved in the accident, and the administrative costs of insurance.

Work Fatalities and Injuries, 1960-1982

Year	Employed Labor Force (Millions)	Fatalities	Fatalities Per 100,000 Workers	Injuries	Injuries Per 100,000 Workers
1960	65.8	13,800	21.0	1,950,000	2,964
1970	78.7	13,800	17.5	2,200,000	2,795
1975	85.8	13,000	15.2	2,200,000	2,564
1978	96.0	13,100	13.7	2,200,000	2,292
1979	98.8	13,000	13.2	2,300,000	2,328
1980	99.3	12,700	12.8	2,200,000	2,216
1981	100.4	12,100	12.1	2,100,000	2,092
1982	99.5	11,200	11.3	1,900,000	1,910

Sources: Bureau of Labor Statistics; National Safety Council.

Economic Losses* From Work Accidents, 1960-1982

Year	Economic Loss	Cost Per Worker 1967 Dollars	Year	Economic Loss	Cost Per Worker 1967 Dollars
1960	$ 4,400,000,000	$ 75.36	1979	$25,200,000,000	$117.58
1970	8,000,000,000	87.42	1980	28,000,000,000	114.48
1975	14,000,000,000	101.33	1981	30,200,000,000	110.40
1978	21,200,000,000	113.07	1982	29,400,000,000	102.21

**Figures do not include direct losses in business fires.*

Sources: National Safety Council; Bureau of Labor Statistics Consumer Prices.

CRIMES AGAINST PROPERTY

The dollar cost of crime continues to run into the billions. Data of the Federal Bureau of Investigation reflected a decrease of 3 percent in the overall crime index in 1982.

The FBI said the number of crimes against property, of which business and industry are major victims, decreased about 3 percent in 1982. Dollar losses from the crimes of robbery, burglary, larceny and motor vehicle theft dropped about 2 percent to $9.5 billion, the FBI said.

But the overall cost of crime clearly is much higher when other kinds of offenses, including such costly crimes as embezzlement, arson and vandalism, are taken into account.

Late in 1980, the FBI released its first data on arson as a "Part I" crime. Its report included data only on confirmed arson or attempted arson and excluded fires of suspicious origin. The FBI said it received complete reports on 86,681 arson offenses in 1982, down 10.8 percent from the 1981 total of 97,202. Estimated dollar losses dropped 7.8 percent from $914 million to $843 million. (The National Fire Protection Association put the cost of incendiary and suspicious fires in 1982 at some $1.60 billion, down 3.3 percent from the 1981 estimate of $1.66 billion.)

While the total cost of embezzlement and other white-collar crimes is not readily measurable, the American Management Association's Crimes Against Business Project as long ago as 1977 estimated the cost of non-violent crimes by individuals against business at $30 billion to $40 billion a year.

Crimes against property reported by the FBI in 1982:

ROBBERY: 536,890 offenses; property loss $339 million.

BURGLARY: 3,415,500 offenses; property loss $3 billion.

LARCENY-THEFT: 7,107,700 offenses; property loss $2.4 billion.

MOTOR VEHICLE THEFT: 1,048,300 offenses; property loss $3.7 billion.

Crimes Against Property, 1973-1982

Year	Robbery	Burglary	Larceny-Theft
1973	384,220	2,565,500	4,347,900
1974	442,400	3,039,200	5,262,500
1975	464,970	3,252,100	5,977,700
1976	420,210	3,089,800	6,270,800
1977	404,850	3,052,200	5,905,700
1978	417,040	3,104,500	5,983,400
1979	466,880	3,299,500	6,577,500
1980	548,810	3,759,200	7,112,700
1981	574,130	3,739,800	7,154,500
1982	536,890	3,415,500	7,107,700

For additional data on automobile thefts, see page 87.

Source: Federal Bureau of Investigation.

MOTOR VEHICLE THEFTS

Motor vehicle thefts in the United States decreased about 2.4 percent from 1981 to 1982. Decreases were recorded in 43 states. Countrywide, the ratio of vehicles stolen to vehicles registered improved from one of every 153 vehicles in 1981 to one of every 159 vehicles in 1982.

Motor Vehicle Registrations and Thefts 1973-1982

Year	Motor Vehicle Registrations*	Thefts*	Ratio of Vehicles Stolen/Regist.	Thefts per 100,000 Registrations
1973	129,774,378	925,713	1 in 140	713
1974	134,904,676	977,068	1 in 138	724
1975	139,221,000	1,000,455	1 in 139	719
1976	142,397,000	957,399	1 in 149	673
1977	148,880,000	968,340	1 in 154	650
1978	153,637,000	991,611	1 in 155	646
1979	157,226,178	1,097,189	1 in 143	698
1980	161,614,294	1,114,554	1 in 145	690
1981	164,287,643	1,073,988	1 in 153	654
1982	166,464,000**	1,048,310	1 in 159	630

*Includes motorcycles.

**Preliminary estimate.

Sources: Federal Bureau of Investigation; Federal Highway Administration.

Motor Vehicle Thefts by States 1981-1982

	1982	1981	% Change		1982	1981	% Change
Alabama	10,777	11,129	– 3.2	Montana	2,070	2,221	– 6.8
Alaska	2,603	2,845	– 8.5	Nebraska	2,821	3,270	– 13.7
Arizona	10,577	11,451	– 7.6	Nevada	4,977	5,026	– 1.0
Arkansas	4,262	4,281	– 0.4	New Hampshire	2,127	2,252	– 5.6
California	164,530	162,557	+ 1.2	New Jersey	46,620	50,573	– 7.8
Colorado	12,097	12,264	– 1.4	New Mexico	4,279	4,712	– 9.2
Connecticut	17,411	18,873	– 7.7	New York	137,880	136,849	+ 0.8
Delaware	2,478	2,572	– 3.7	North Carolina	11,105	11,788	– 5.8
District of Columbia	4,113	3,785	+ 8.7	North Dakota	940	1,084	– 13.3
Florida	44,772	45,712	– 2.1	Ohio	41,190	45,777	– 10.0
Georgia	17,579	18,635	– 5.7	Oklahoma	15,532	12,957	+ 19.9
Hawaii	4,181	4,211	– 0.7	Oregon	7,973	9,011	– 11.5
Idaho	1,688	2,055	+ 17.9	Pennsylvania	39,413	43,799	– 10.0
Illinois	54,523	56,116	– 2.8	Rhode Island	7,048	8,224	– 14.3
Indiana	17,871	18,547	– 3.6	South Carolina	8,896	8,720	+ 2.0
Iowa	5,045	6,465	– 22.0	South Dakota	818	987	– 17.1
Kansas	5,358	6,073	– 11.8	Tennessee	15,442	15,400	+ 0.3
Kentucky	8,548	8,603	– 0.6	Texas	87,105	83,306	+ 4.6
Louisiana	14,637	15,584	– 6.1	Utah	3,908	4,462	– 12.4
Maine	2,159	2,194	– 1.6	Vermont	1,315	1,511	– 13.0
Maryland	16,724	18,480	– 9.5	Virginia	10,108	10,956	– 7.7
Massachusetts	55,995	57,657	– 2.9	Washington	11,919	13,445	– 11.3
Michigan	63,009	58,446	+ 7.8	West Virginia	3,567	3,675	– 2.9
Minnesota	9,818	10,300	– 4.7	Wisconsin	8,706	10,292	– 15.4
Mississippi	3,918	4,588	– 14.6	Wyoming	1,254	1,433	– 12.5
Missouri	16,624	18,835	– 11.7				

Source: Federal Bureau of Investigation.

ARRESTS BY AGE GROUP

Data compiled by the Federal Bureau of Investigation show that persons from 15 through 24 years of age are involved in a disproportionately high number of arrests for crimes and offenses which often have a direct impact on losses paid by property and casualty insurers.

A majority of all arrests in 1982 for the crimes of burglary, robbery, motor vehicle theft and drug abuse were of persons in that age bracket, who together made up only 18.1 percent of the total population.

More than one of every four arrests for driving while under the influence of intoxicants or drugs involved a person in the 20-25 age group.

Arrests, Distribution by Age, 1982

Age Group	% of Population	Burglary		Robbery		Larceny-Theft	
		Arrests	% of Total	Arrests	% of Total	Arrests	% of Total
Under 15	22.1	62,320	14.3	9,114	6.6	157,221	13.7
15-19	8.6	178,276	40.9	48,726	35.3	346,153	30.2
20-24	9.5	95,258	21.8	37,913	27.4	219,547	19.1
25-29	8.9	49,219	11.3	21,493	15.6	147,674	12.9
30-34	8.1	25,703	5.9	11,317	8.2	97,521	8.5
35-39	6.8	11,802	2.7	4,861	3.5	56,779	5.0
40-44	5.4	6,015	1.4	2,296	1.7	35,682	3.1
45-49	4.8	3,232	.7	1,090	.8	24,677	2.2
50-54	4.9	2,056	.5	623	.5	20,370	1.8
55-59	5.0	1,160	.3	365	.3	15,808	1.4
60-64	4.6	655	.2	168	.1	10,909	1.0
65 & Older	11.6	575	.1	152	.1	14,364	1.3
All ages	100.0*	436,271	100.0*	138,118	100.0*	1,146,705	100.0*

Age Group	Motor Vehicle Theft		Arson		Drunk Driving		Drug Abuse	
	Arrests	% of Total	Arrests	% of Total	Arrests	% of Total	Arrests	% of Total
Under 15	9,134	8.4	3,747	22.2	387	.0	11,405	2.0
15-19	46,326	42.6	3,982	23.6	129,441	9.2	143,350	25.4
20-24	24,590	22.6	2,795	16.5	354,486	25.2	184,567	32.7
25-29	11,952	11.9	2,123	12.6	271,547	19.3	113,119	20.0
30-34	7,202	6.6	1,498	8.9	193,803	13.8	59,820	10.6
35-39	3,882	3.6	974	5.8	137,753	9.8	26,079	4.6
40-44	1,962	1.8	647	3.8	100,479	7.1	12,234	2.2
45-49	1,161	1.1	429	2.5	74,295	5.3	6,211	1.1
50-54	705	.6	319	1.9	58,511	4.2	3,675	.7
55-59	427	.4	191	1.1	41,878	3.0	2,368	.4
60-64	186	.2	103	.6	24,775	1.8	1,508	.3
65 & Older	209	.2	100	.6	19,291	1.4	846	.1
All ages	108,736	100.0	16,908	100.0*	1,406,646	100.0*	565,182	100.0*

**Percentage does not add to 100 because of rounding.*

Source: Federal Bureau of Investigation (based on reports from 9,832 agencies with a total population of 187,346,000 in 1982).

AIRCRAFT ACCIDENTS

A series of jetliner crashes in Washington, Boston and New Orleans in which a total of 233 persons died marred a generally improved accident record for U.S. civil aviation in 1982, according to preliminary data from the National Transportation Safety Board. The three crashes were the first multiple death accidents involving the scheduled airlines since 1979. Two other persons died in separate single-fatality airliner crashes during 1982.

The major airlines recorded 16 accidents during scheduled flights in 1982, nine fewer than in 1981 and only one more than the record low of 15 accidents in 1980. The accident rate dropped from 0.381 to 0.232 per 100,000 flight hours for a 39 percent decline.

Accidents in general aviation — aircraft other than large airlines, commuters and air taxis — dropped from 3,504 in 1981 to a record low of 3,276. The accident rate declined from 9.5 to 9.1 per 100,000 aircraft hours.

Commuter air carriers had their safest year in the eight years for which their accident statistics are available, with declines from 33 to 21 in the number of accidents, from 10 to 4 in fatal accidents, from 36 to 13 in fatalities, and from 2.66 to 1.72 in the accident rate per 100,000 flight hours. On-demand air taxis also recorded reductions in the same four categories, and the number of fatalities, 75, was the lowest since 1975.

1982 Aircraft Accidents

	Aircraft Hours Flown	Accidents	Fatal Accidents	Fatalities	Accidents per 100,000 Flight Hours
Scheduled Airlines	6,466,000	16	5	235	0.232
Scheduled Commuter Carriers	1,220,000	21	4	13	1.72
Non-Scheduled Air Taxis	2,846,000	145	32	75	5.09
General Aviation	36,159,000	3,276	574	1,164	9.10

Source: National Transportation Safety Board.

Accidents, Scheduled Airlines, 1978-1982

	Aircraft Hours Flown	Accidents	Fatal Accidents	Fatalities	Accidents per 100,000 Flight Hours
1978	6,031,743	21	5	160	0.348
1979	6,700,322	24	4	351	0.358
1980	6,797,758	15	0	0	0.221
1981	6,561,090	25	4	4	0.381
1982	6,466,000	16	5	235	0.232

Source: National Transportation Safety Board (1982 figures are preliminary estimates).

BOATING ACCIDENTS

Although the number of recreational boats in the United States peaked at an estimated 14.9 million in 1982, the number of fatalities in boating accidents was the lowest since 1963 and the fatality rate hit a record low mark of 7.9 per 100,000 boats. The U.S. Coast Guard said the number of boating deaths dropped to 1,178 from 1,208 in 1981. Capsizing was blamed for 409 of the fatalities during 1982, and falls overboard for 320. Reported injuries requiring medical treatment beyond first aid increased from 2,438 in 1981 to 2,682 in 1982.

Boating Accidents by State, 1982

State	Accidents	Fatalities	Injuries	Property Damage
Alabama	146	35	68	$ 239,600
Alaska	44	25	7	400,100
Arizona	114	21	66	271,100
Arkansas	11	6	4	13,900
California	696	103	323	2,497,000
Colorado	66	12	24	44,900
Connecticut	56	9	33	167,300
Delaware	29	4	7	76,500
District of Columbia	11	2	3	56,500
Florida	484	48	270	2,561,000
Georgia	82	33	39	109,500
Hawaii	60	8	4	1,082,200
Idaho	41	12	29	77,500
Illinois	112	33	75	134,600
Indiana	88	16	44	137,400
Iowa	39	8	17	32,200
Kansas	34	7	19	31,800
Kentucky	56	18	24	118,500
Louisiana	81	46	38	118,600
Maine	90	17	61	62,300
Maryland	212	23	111	618,400
Massachusetts	81	24	21	166,800
Michigan	287	54	153	235,000
Minnesota	147	32	83	261,200
Mississippi	72	36	21	123,700
Missouri	195	24	114	513,400
Montana	23	12	16	12,000
Nebraska	15	2	19	22,600
Nevada	95	6	22	247,300
New Hampshire	3	1	1	1,600
New Jersey	256	14	118	863,100
New Mexico	15	1	3	13,900
New York	262	51	155	694,900
North Carolina	97	32	63	362,800
North Dakota	8	1	8	10,000
Ohio	114	29	52	297,800
Oklahoma	75	26	52	153,800
Oregon	122	20	50	394,300
Pennsylvania	75	35	49	87,100
Rhode Island	32	5	2	52,500
South Carolina	66	33	26	248,300
South Dakota	11	2	11	17,100
Tennessee	63	27	36	140,300
Texas	286	92	118	769,700
Utah	61	11	38	64,700
Vermont	5	1	2	19,000
Virginia	66	19	32	87,200
Washington	102	50	26	318,300
West Virginia	15	11	8	7,900
Wisconsin	145	36	107	172,000
Wyoming	15	0	6	68,900
Puerto Rico	5	2	3	6,700
Virgin Islands	9	3	1	59,400
Totals	5,377	1,178	2,682	$15,344,200

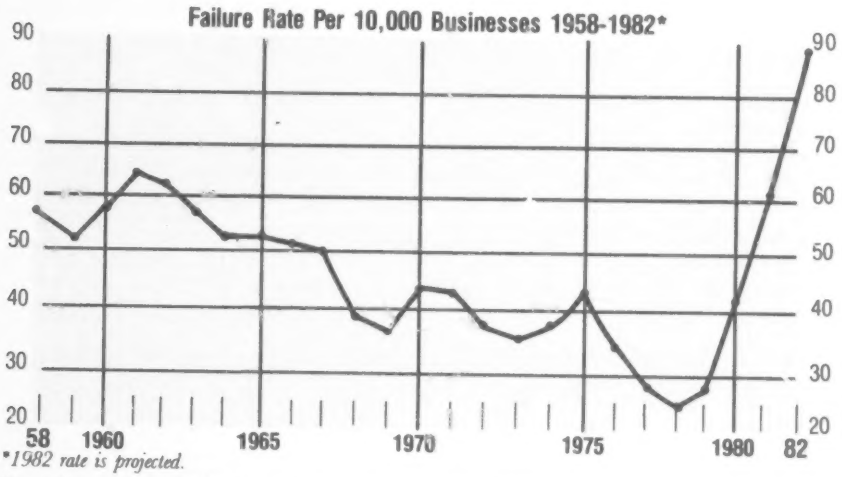
Source: U.S. Coast Guard.

BUSINESS FAILURE TRENDS

The continuing recession and prolonged slumps in key industries including housing and automotive were blamed by Dun & Bradstreet for a sharp rise in business failures in the United States in 1982 reminiscent of the depression years of the early 1930s.

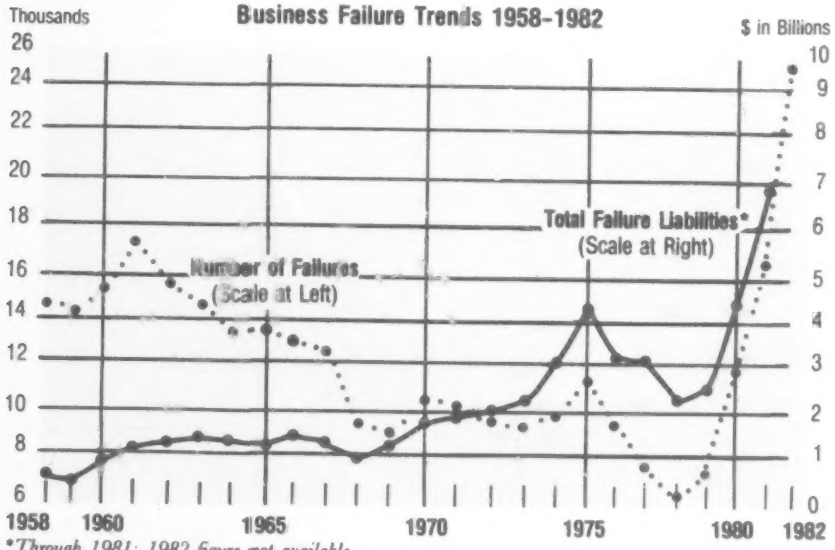
Dun & Bradstreet projected the number of failures in 1982 at 25,346, up about 51 percent from the 1981 total of 16,794. The failure rate increased from 61 to 89 per 10,000 businesses. Compilations covering only the first six months of 1982 showed the overall cost of business failures for the half-year period to stand at more than $7.57 billion, or 8.9 percent greater than the full-year total of $6.95 billion recorded in 1981.

The average cost per failure during the first half of 1982 was $644,541, compared to the 1981 full-year figure of $414,147.



*1982 rate is projected.

Source: Insurance Information Institute, based on data provided by Dun & Bradstreet, Inc.



*Through 1981; 1982 figure not available.

Source: Insurance Information Institute, based on data provided by Dun & Bradstreet, Inc.

HEALTH INSURANCE BENEFITS

Private insurance companies pay a larger share of the nation's billions of dollars of health insurance benefits than any other single category of health care provider. Private insurers paid some $41.6 billion in such benefits in 1981, the latest year for which such statistics were available. The figure was 12.5 percent higher than that of 1980.

The following table compares the amounts of health insurance benefits paid in 1980 and 1981 by private insurers and by other guarantors of such benefits, including Medicare and Medicaid in the government sector.

	1981	1980	% Change
Private Insurers	$41,622,000,000	$37,002,000,000	+12.5
Blue Cross, Blue Shield	29,403,000,000	25,596,000,000	+14.9
Other Plans*	13,074,000,000	11,490,000,000	+13.8
Private Sector Total**	$75,888,000,000	$67,087,000,000	+13.1
Medicare	39,773,000,000	33,241,000,000	+19.7
Medicaid	27,184,000,000	23,182,000,000	+17.3
Totals	$142,845,000,000	$123,510,000,000	+15.7

**Includes Health Maintenance Organizations, employer-employee sponsored plans, etc.*

***Private sector total eliminates duplications that result from private insurers and the Health Care Financing Administration ("Other Plans") both reporting Administrative Services Only benefits in their data.*

Source: Health Insurance Association of America.

A review by the Health Insurance Association of America disclosed that in 1981 the average cost to hospitals per patient stay ranged from a low of $1,398.60 in Mississippi to highs of $3,703.20 in the District of Columbia and $2,961.90 in Massachusetts. The range on the basis of the average cost to hospitals of a day's stay was from $194.90 in South Dakota to $453 in Alaska. Countrywide, the average cost to hospitals per patient day increased 15.8 percent from $245.60 in 1980 to $284.30 in 1981.

The Cost of Hospitalization and Health Insurance Benefits Paid by Private Insurers 1981

State	Benefits Paid by Insurance Cos. (in thousands)	Average Cost to Hospital per Patient Day	Average Length Hospital Stay in Days	Average Cost to Hospital per Patient Stay
Alabama	$ 409,000	$ 239.20	7.3	$1,746.20
Alaska	44,000	453.00	5.8	2,627.40
Arizona	341,000	337.10	6.9	2,326.00
Arkansas	180,000	213.70	6.7	1,431.80
California	3,389,000	428.00	6.6	2.824.80
Colorado	388,000	292,50	7.0	2,047.50
Connecticut	411,000	312.90	7.6	2,378.00
Delaware	75,000	260.40	8.3	2,160.30
District of Columbia	175,000	430.60	8.6	3,703.20
Florida	1,317,000	287.60	7.5	2,157.00

Health Insurance Benefits (continued)

State	Benefits Paid by Insurance Cos. (in thousands)	Average Cost to Hospital per Patient Day	Average Length Hospital Stay in Days	Average Cost to Hospital per Patient Stay
Georgia	$700,000	$247.30	6.6	$1,632.20
Hawaii	50,000	276.80	7.9	2,186.70
Idaho	69,000	233.60	6.3	1,471.70
Illinois	1,942,000	320.20	8.0	2,561.60
Indiana	659,000	246.60	7.7	1,898.80
Iowa	317,000	228.20	7.7	1,757.10
Kansas	230,000	236.90	7.6	1,800.40
Kentucky	264,000	223.40	6.7	1,496.80
Louisiana	594,000	289.50	6.4	1,852.80
Maine	101,000	248.50	8.0	1,988.00
Maryland	409,000	289.90	8.5	2,464.20
Massachusetts	562,000	332.80	8.9	2,961.90
Michigan	1,080,000	311.60	7.9	2,461.60
Minnesota	464,000	234.50	9.2	2,157.40
Mississippi	268,000	202.70	6.9	1,398.60
Missouri	668,000	269.90	8.0	2,159.20
Montana	77,000	195.30	8.2	1,601.50
Nebraska	202,000	219.20	8.6	1,885.10
Nevada	153,000	398.40	6.7	2,669.30
New Hampshire	75,000	246.70	6.9	1,702.20
New Jersey	825,000	239.80	8.6	2,062.30
New Mexico	145,000	279.10	6.2	1,730.40
New York	1,950,000	288.80	9.8	2,830.20
North Carolina	578,000	222.70	7.5	1,670.00
North Dakota	49,000	207.70	8.7	1,807.00
Ohio	1,242,000	281.40	8.0	2,251.20
Oklahoma	340,000	279.70	6.4	1,790.10
Oregon	258,000	333.90	6.0	2,003.40
Pennsylvania	1,023,000	272.10	8.4	2,285.60
Rhode Island	48,000	300.10	8.4	2,520.80
South Carolina	265,000	212.40	7.5	1,593.00
South Dakota	87,000	194.90	7.9	1,539.70
Tennessee	502,000	240.60	7.1	1,708.30
Texas	2,166,000	267.10	6.6	1,762.90
Utah	143,000	319.50	5.5	1,757.30
Vermont	35,000	213.10	8.2	1,747.40
Virginia	448,000	242.20	7.9	1,913.40
Washington	336,000	315.00	5.7	1,795.50
West Virginia	188.00	228.50	7.4	1,690.90
Wisconsin	462,000	251.90	8.3	2,090.80
Wyoming	62,000	239.60	6.0	1,437.60
Puerto Rico & U.S. Territories	89,000	—	—	—
Countrywide	$41,622,000*	$284.30	7.6	$2,160.70
1980 Totals	$37,002,000*	$245.60	7.6	$1,866.60

**Includes $14.768 billion for 1981 and $11.137 billion for 1980 in Administrative Service Agreement benefit payments not allocated by state.*

Source: Health Insurance Association of America.

AUTOMOBILE FINANCIAL RESPONSIBILITY AND COMPULSORY LAWS

Most states have laws, commonly known as financial responsibility laws, under which a person involved in an automobile accident may be required to furnish proof of financial responsibility (usually done in the form of automobile liability insurance) up to certain minimum dollar limits. The provinces of Canada have similar laws. Mexico has no financial responsibility law as such, but requires an auto liability insurance policy written with a Mexican company.

More than half the states have laws requiring registered car owners to have liability insurance or, in some cases, some other approved form of security. These "compulsory" auto insurance laws are in effect in Arizona, California, Colorado, Connecticut, Delaware, the District of Columbia, Georgia, Hawaii, Idaho, Indiana, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Montana, Nevada, New Jersey, New York, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, South Carolina, Texas, Utah, West Virginia and Wyoming. Florida requires its car owners to have first-party "personal injury protection" insurance.

New Mexico has enacted a compulsory insurance law which takes effect in 1984.

Every state has either a financial responsibility law or a "compulsory" law. Many have both kinds of statutes. Even where ownership of automobile liability insurance is not compulsory, the existence of the financial responsibility laws, along with the ever-present threat of a financially crippling judgment in the event of an accident, has come to make the possession of automobile liability insurance a virtual necessity for most motorists.

Nevertheless, there are many motorists who are considered doubtful risks or whose poor driving records label them as obviously bad insurance risks. In all states, there are procedures through which such persons are able to obtain coverage. For additional information about these procedures, see "The Automobile Shared Market," page 42.

Automobile Financial Responsibility/Compulsory Limits

State	Liability Limits*	State	Liability Limits*
Alabama	10/20/15	Rhode Island	25/50/10
Alaska	25/50/10	South Carolina	15/30/5
Arizona	15/30/10	South Dakota	15/30/10
Arkansas	25/50/15	Tennessee	10/20/5
California	15/30/5	Texas	10/20/5[3]
Colorado	15/30/5	Utah	20/40/10
Connecticut	20/40/5	Vermont	20/40/10
Delaware	10/20/5	Virginia	25/50/10
District of Columbia	10/20/5	Washington	25/50/10
Florida	10/20/5	West Virginia	20/40/10
Georgia	10/20/10	Wisconsin	25/50/10
Hawaii	25/unlimited/10	Wyoming	10/20/5
Idaho	25/50/15		
Illinois	15/30/10	**CANADA**	
Indiana	25/50/10	Alberta	$100,000 inclusive**
Iowa	15/30/10		
Kansas	25/50/10	British Columbia	$100,000 inclusive**
Kentucky	10/20/5		
Louisiana	5/10/5	Manitoba	$200,000 inclusive**
Maine	20/40/10		
Maryland	20/40/10	New Brunswick	$100,000 inclusive**
Massachusetts	10/20/5		
Michigan	20/40/10	Newfoundland	$200,000 inclusive**
Minnesota	25/50/10		
Mississippi	25/50/10	Northwest Territories	$50,000 inclusive**
Missouri	25/50/10		
Montana	25/50/5	Nova Scotia	$100,000 inclusive**
Nebraska	25/50/25		
Nevada	15/30/10	Ontario	$200,000 inclusive**
New Hampshire	25/50/25		
New Jersey	15/30/5	Prince Edward Island	$100,000 inclusive**
New Mexico	15/30/5		
New York	10/20/5[1]	Quebec	$50,000 property damage[4]
North Carolina	25/50/10		
North Dakota	25/50/10		
Ohio	12.5/25/7.5	Saskatchewan	$100,000 inclusive**
Oklahoma	10/20/10		
Oregon	15/30/5[2]	Yukon	$200,000 inclusive**
Pennsylvania	15/30/5		

**The first two figures refer to bodily injury liability limits and the third figure to property damage liability. For example, 10/20/5 means coverage up to $20,000 for all persons injured in an accident, subject to a limit of $10,000 for one individual; and $5,000 coverage for property damage.*

***"Inclusive" means that the amount of liability insurance shown is available to settle either bodily injury or property damage claims—or both.*

[1]50/100 in cases of wrongful death, [2]25/50/10 on Jan. 1, 1984, [3]15/30/15 on Jan. 1, 1984

[4]Quebec has a complete no-fault system for bodily injury claims, scaled down for non-residents in proportion to their degree of fault. The $50,000 limit relates to liability for damage to property in Quebec and to liability for bodily injury and property damage outside Quebec.

Sources: American Insurance Association; Insurance Bureau of Canada.

"NO-FAULT" AUTOMOBILE INSURANCE

A major change in the biggest single line of property and casualty insurance—automobile insurance—has been in the making since the early 1970s. Widespread dissatisfaction with the operation of the traditional tort liability system, under which recoveries by accident victims of their losses are often dependent upon proving who caused the accident, has led to the adoption of "first-party" laws by about half the states and consideration of similar action by most of the other states.

A number of states have enacted laws mandating the purchase of auto liability insurance and a form of "no-fault" insurance which permits accident victims to recover such financial losses as medical and hospital expenses and lost income from their own insurance companies. Most of those states also have some restrictions on the right to sue. Several other state laws make optional the purchase of "first party" coverages up to specified minimum limits.

A new "no-fault" law in the District of Columbia, effective in October 1983, originally had been scheduled to become operative in September 1982.

Among the states which have adopted forms of "no-fault" auto insurance, the major variations involve: dollar limits on medical and hospital expenses (unlimited in some states), funeral and burial expenses, lost income and the amount to be paid a person hired to perform essential services that an injured non-income producer is unable to perform; also, conditions governing the right to sue which usually include death, serious injury and a point at which medical expenses reach a stipulated amount.

Jurisdictions which have forms of "first-party" auto insurance and the dates on which the laws originally became effective, follow.

Compulsory first-party/liability insurance; some restrictions on lawsuits

Colorado, April 1, 1974	Kansas, January 1, 1974	New Jersey, January 1, 1973
Connecticut, January 1, 1973	Kentucky, July 1, 1975	New York, February 1, 1974
District of Columbia, October 1, 1983	Massachusetts, January 1, 1971	North Dakota, January 1, 1976
Georgia, March 1, 1975	Michigan, October 1, 1973	Pennsylvania, July 19, 1975
Hawaii, September 1, 1974	Minnesota, January 1, 1975	Utah, January 1, 1974

Compulsory first-party, optional liability insurance; some restrictions on lawsuits

Florida, January 1, 1972	Puerto Rico, 1970

Compulsory first-party and liability insurance; no restrictions on lawsuits

Delaware, January 1, 1972	Maryland, January 1, 1973	Oregon, January 1, 1972

Compulsory liability, optional first-party insurance; no restrictions on lawsuits

South Carolina, October 1, 1974	Texas, June 17, 1981

Insurance not compulsory; first-party benefits optional, no restrictions on lawsuits

Arkansas, July 1, 1974	South Dakota, January 1, 1972	Virginia, January 1, 1972
New Hampshire, October 1, 1971		

Source: American Insurance Association.

THE REGULATION OF INSURANCE

The business of property and casualty insurance is subject to two powerful forms of control: a high intensity of competition among insurance companies and strict regulation state by state.

The degree of competition is reflected by the fact that in a field which is served by more than 3,400 companies, no single company or group has more than 9.2 percent of the property/casualty insurance market. The 10 largest companies combined had 38.3 percent of the market in 1982.

As a business which is inherently linked with the public interest, property and casualty insurance is closely regulated by designated authorities in every state and in other jurisdictions. Also, certain insurer activities are subject to regulation by federal agencies.

In essence, the basic charge to which the state regulatory authorities are committed is to assure the continued solvency of each company in order that it might be ready to discharge its obligation to policyholders, to ascertain that customers are neither overcharged nor unfairly discriminated against, and to regulate the business in a way that will encourage the companies to make essential insurance protection as readily available to the public as practicable.

The procedures for reviewing and effectuating property and casualty rates include, in many states, the requirement that rates be approved in advance by the regulator. In a number of other states, rate changes generally may be made without prior approval. In those states, rates are subject to the forces of competition among insurers and to subsequent review by the regulator to assure that they are not inadequate, excessive or unfairly discriminatory.

Greater reliance on price competition is the objective of a model rating law adopted in December 1980 by the National Association of Insurance Commissioners, the organization of state regulators. With some variations, the NAIC followed recommendations of an advisory committee of insurance buyers, consumer representatives and insurance people, which had been charged with studying the merits of competitive pricing. The committee pointed to "properly structured" price competition as "the most effective way to assure the availability of property/casualty insurance at costs that are fair, reasonable and not excessive."

The State Insurance Commissioners

Alabama: W. G. Ward, Jr., Commissioner of Insurance, 64 N. Union St., Montgomery, Ala. 36130. Tel. 205-832-6140.

Alaska: Kenneth C. Moore, Director of Insurance, Pouch "D", Juneau, Alaska 99811. Tel. 907-465-2515.

Arizona: J. Michael Low, Director of Insurance, 1601 W. Jefferson, Phoenix, Ariz. 85007. Tel. 602-255-4862.

Arkansas: Linda Garner, Insurance Commissioner, 400-18 University Tower Building, Little Rock, Ark. 72204. Tel. 501-371-1325.

California: Bruce A. Bunner, Insurance Commissioner, 600 South Commonwealth, 14th Floor, Los Angeles, Calif. 90005. Tel. 213-736-2551.

Colorado: J. Richard Barnes, Commissioner of Insurance, 303 W. Colfax Ave., Fifth Floor, Denver, Colo. 80204. Tel. 303-534-8871.

Connecticut: Peter W. Gillies, Insurance Commissioner, 165 Capitol Ave., State Office Bldg., Hartford, Conn. 06106. Tel. 203-566-5275.

Delaware: David Elliott, Insurance Commissioner, 21 The Green, Dover, Del. 19901. Tel. 302-736-4251.

District of Columbia: Margurite C. Stokes, Acting Superintendent of Insurance, 614 H St., N.W., Suite 512, Washington, D.C. 20001. Tel. 202-727-1273.

Florida: William D. Gunter, Insurance Commissioner, State Capitol, Plaza Level 11, Tallahassee, Fla. 32301. Tel. 904-488-3440.

Georgia: Johnnie L. Caldwell, Insurance Commissioner, 200 Piedmont Ave., S.E., Floyd Memorial Building, West Tower–7th Floor, Atlanta, Ga. 30334. Tel. 404-656-2056.

Guam: David J. Santos, Insurance Commissioner, P.O. Box 2796, Agana, Guam 96910. Tel. 011-671-477-7731.

Hawaii: Susan Kee-Young Park, Insurance Commissioner, P.O. Box 3614, Honolulu, Hawaii 96811. Tel. 808-548-5450.

Idaho: Trent M. Woods, Director of Insurance, 700 W. State St., Boise, Idaho 83720. Tel. 208-334-2250.

Illinois: James W. Schacht, Acting Director of Insurance, 320 W. Washington St., 4th Floor, Springfield, Ill. 62767. Tel. 217-782-4515.

Indiana: Don H. Miller, Commissioner of Insurance, 509 State Office Building, Indianapolis, Ind. 46204. Tel. 317-232-2386.

Iowa: Bruce W. Foudree, Commissioner of Insurance, State Office Building, G23 Ground Floor, Des Moines, Iowa, 50319. Tel. 515-281-5705.

Kansas: Fletcher Bell, Commissioner of Insurance, 420 South West Ninth St., Topeka, Kan. 66612. Tel. 913-296-3071.

Kentucky: Daniel D. Briscoe, Insurance Commissioner, 151 Elkhorn Ct., Frankfort, Ky. 40601. Tel. 502-564-3630.

Louisiana: Sherman A. Bernard, Commissioner of Insurance, 950 North 5th St., Baton Rouge, La. 70801. Tel. 504-342-5328.

Maine: Theodore T. Briggs, Superintendent of Insurance, State Office Building, State House, Station 34, Augusta, Maine 04333. Tel. 207-289-3101.

Maryland: Edward J. Muhl, Insurance Commissioner, 501 St. Paul Pl., 7th Floor South, Baltimore, Md. 21202. Tel. 301-659-4027.

Massachusetts: Peter Hiam, Commissioner of Insurance, 100 Cambridge St., Boston, Mass. 02202. Tel. 617-727-3333.

Michigan: Nancy A. Baerwaldt, Insurance Commissioner, 1048 Pierpont St., P.O. Box 30220, Lansing, Mich. 48909. Tel. 517-373-9273.

Minnesota: Michael A. Hatch, Commissioner of Commerce. 500 Metro Square Building, St. Paul, Minn. 55101. Tel. 612-296-6907.

Mississippi: George Dale, Commissioner of Insurance, 1804 Walter Sillers Building, P.O. Box 79, Jackson, Miss. 39205. Tel. 601-359-3569.

Missouri: C. Donald Ainsworth, Director of Insurance, 515 E. High St., P.O. Box 690, Jefferson City, Mo. 65102. Tel. 314-751-2451.

Montana: Elmer V. Omholt, Commissioner of Insurance, Mitchell Building, P.O. Box 4009, Helena, Mont. 59601. Tel. 406-449-2996.

Nebraska: Michael J. Dugan, Director of Insurance, 301 Centennial Mall, South, P.O. Box 94699, Lincoln, Neb. 68509. Tel. 402-471-2201. Ext. 238.

Nevada: Kevin Sullivan, Commissioner of Insurance, Nye Building, 201 South Fall St., Carson City, Nev. 89710. Tel. 702-885-4270.

New Hampshire: Louis E. Bergeron, Insurance Commissioner, 169 Manchester St., Concord, N.H. 03301. Tel. 603-271-2261.

New Jersey: Joseph F. Murphy, Commissioner of Insurance, 201 East State St., Trenton, N.J. 08625. Tel. 609-292-5363.

New Mexico: Vicente B. Jasso, Superintendent of Insurance, PERA Building, P.O. Drawer 1269, Sante Fe, N.M. 87501. Tel. 505-827-4535.

New York: James P. Corcoran, Superintendent of Insurance, Two World Trade Center, New York, N.Y. 10047. Tel. 212-488-4124.

North Carolina: John R. Ingram, Commissioner of Insurance, Dobbs Building, P.O. Box 26387, Raleigh, N.C. 27611. Tel. 919-733-7343.

North Dakota: J.O. Wigen, Commissioner of Insurance, Capitol Building, Fifth Floor, Bismarck, N.D. 58505. Tel. 701-224-2444.

Ohio: George Fabe, Director of Insurance, 2100 Stella Court, Columbus, Ohio 43215. Tel. 614-466-3584.

Oklahoma: Gerald Grimes, Insurance Commissioner, 408 Will Rogers Memorial Building, Oklahoma City, Okla. 73105. Tel. 405-521-2828.

Oregon: Josephine M. Driscoll, Insurance Commissioner, 158 12th St., N.E., Salem, Ore. 97310. Tel. 503-378-4271.

Pennsylvania: Anthony A. Geyelin, Acting Insurance Commissioner, 1326 Strawberry Square, Harrisburg, Pa. 17120. Tel. 717-787-5173.

Puerto Rico: Juan Antonio Garcia, Commissioner of Insurance, Old San Juan Station, P.O. Box 3508, San Juan, P.R. 00904. Tel. 809-724-6565.

Rhode Island: Thomas J. Caldarone, Jr., Insurance Commissioner, 100 North Main St., Providence, R.I. 02903. Tel. 401-277-2223.

South Carolina: Rogers T. Smith, Chief Insurance Commissioner, 2711 Middleburg Dr., P.O. Box 4067, Columbia, S.C. 29204. Tel. 803-758-3266.

South Dakota: Susan L. Walker, Acting Director of Insurance, Insurance Building, 320 N. Nicollet, Pierre, S.D. 57501. Tel. 605-773-3563.

Tennessee: John C. Neff, Commissioner of Insurance, 114 State Office Building, Nashville, Tenn. 37219. Tel. 615-741-2241.

Texas: Tom Bond, Commissioner of Insurance, 1110 San Jacinto Blvd., Austin, Tex, 78786. Tel. 512-475-2273.

Utah: Roger C. Day, Commissioner of Insurance, 160 E. 300 S., P.O. Box 5803, Salt Lake City, Utah 84110. Tel. 801-530-6400.

Vermont: George A. Chaffee, Commissioner of Insurance, State Office Building, 120 State St., Montpelier, Vt. 05602. Tel. 802-828-3301.

Virgin Islands: Julio A. Brady, Commissioner of Insurance, P.O. Box 450, Charlotte Amalie, St. Thomas, Virgin Islands 00801. Tel. 809-774-2991.

Virginia: James M. Thomson, Commissioner of Insurance, 700 Jefferson Building, P.O. Box 1157, Richmond, Va. 23209. Tel. 804-786-3741.

Washington: Richard G. Marquardt, Insurance Commissioner, Insurance Building AQ21, Olympia, Wash. 98504. Tel. 206-753-7301.

West Virginia: Richard G. Shaw, Insurance Commissioner, 2100 Washington St., East, Charleston, W.Va. 25305. Tel. 304-348-3386.

Wisconsin: Thomas P. Fox, Commissioner of Insurance, 123 W. Washington Ave., Madison, Wis. 53702. Tel. 608-266-3585.

Wyoming: John T. Langdon, Insurance Commissioner, 2424 Pioneer Ave., Cheyenne, Wyo. 82002. Tel. 307-777-7401.

DEFINITIONS

Insurance: A system under which individuals, businesses and other organizations or entities, in exchange for payment of a sum of money (a premium). are guaranteed compensation for losses resulting from certain perils under specified conditions.

Property Insurance: Insurance providing financial protection against the loss of, or damage to, real and personal property caused by such perils as fire, theft, windstorm, hail, explosion, riot, aircraft, motor vehicles, vandalism, malicious mischief, riot and civil commotion, and smoke.

Casualty Insurance: Insurance concerned primarily with the insured's legal liability for injuries to others or for damage to other persons' property; also encompasses such forms of insurance as plate glass, burglary, robbery and workers' compensation.

Liability Insurance: Insurance covering the policyholder's legal liability resulting from injuries to other persons or damage to their property.

Life Insurance: Insurance providing for payment of a specified amount on the insured's death, either to his or her estate or to a designated beneficiary; or in the case of an endowment policy, to the policyholder at a specified date.

Accident and Health Insurance: A type of coverage that pays benefits, sometimes including reimbursement for loss of income, in case of sickness, accidental injury or accidental death.

Actual Cash Value: The cost of repairing or replacing damaged property with other of like kind and quality in the same physical condition; commonly defined as replacement cost less depreciation.

Agent: The *independent agent* is an independent business person who usually represents two or more insurance companies in a sales and service capacity and who is paid on a commission basis. The *exclusive agent* represents only one company, usually on a commission basis. The *direct writer* is the salaried or commissioned employee of a single company.

Allied Lines: A term for forms of insurance allied with property insurance, covering such perils as sprinkler leakage, water damage and earthquake.

Arson: The willful and malicious burning of, or attempt to burn, any structure or other property, often with criminal or fraudulent intent.

Assets: As applicable to insurance, all funds, property, goods, securities, rights of action or resources of any kind owned by an insurance company, less such items as are declared non-admissable for accounting purposes by state laws, including deferred or overdue premiums.

Automobile Insurance Plan: Formerly called and still sometimes referred to as "assigned risk" plan. A program to make automobile insurance available to persons who are unable to obtain such insurance in the regular market.

Automobile Liability Insurance: Protection for the insured against financial loss because of legal liability for car-related injuries to others or damage to their property.

Automobile Physical Damage Insurance: Coverage to pay for damage to or loss of policyholder's automobile resulting from collision, fire, theft, or other perils.

Aviation Insurance: Insurance pertaining to aircraft, including coverage of aircraft or their contents, the owner's liability or accident insurance on the passengers.

Boiler and Machinery Insurance: Coverage for loss arising out of the operation of pressure, mechanical and electrical equipment. It covers loss of the boiler and machinery itself, damage to other property, and business interruption losses.

Broker: A marketing specialist who represents buyers of property and liability insurance and who deals with either agents or companies in arranging for the coverage required by the customer.

Burglary: Breaking and entering into another person's property with felonious intent.

Burglary and Theft Insurance: Coverage against property losses due to burglary, robbery or larceny.

Business Interruption Insurance: Protection for a business owner against losses resulting from a temporary shutdown because of fire or other insured peril. The insurance provides reimbursement for lost net profits and necessary continuing expenses.

Catastrophe: In insurance, a term applied to an incident or series of related incidents causing insured property losses totaling more than $5 million.

Claim: A demand to recover under an insurance policy for a loss covered by that policy.

Coinsurance: A provision in an insurance policy under which the insured agrees to carry a certain amount of insurance expressed as a percentage of the value of the property. It provides for the full payment, up to the amount of the policy, of all losses if the insurance carried is at least equal to the specified percentage. If the insured fails to carry the necessary amount of insurance, he or she assumes a proportionate share of the loss.

Collision Insurance: An automobile insurance coverage against damage to the policyholder's vehicle caused by collision with another car or object or by upset.

Combined Ratio: The sum of the ratio of losses incurred to premiums earned and the ratio of commissions and expenses incurred to premiums written.

Commercial Lines: Insurance for businesses, organizations, institutions, governmental agencies or other commercial establishments.

Commercial Multiple Peril Policy: A package type of insurance for the commercial establishment that includes a wide range of essential coverages.

Commissioner: A state officer for administering the state's insurance laws and regulations. In some states, the regulator bears the title of director or superintendent of insurance.

Comprehensive Personal Liability Insurance: Protection for an insured against loss arising out of legal liability to pay money for damage or injury to others for which the insured is responsible. Does not include automobile liability or business operations.

Compulsory Insurance: Any form of insurance which is required by law.

Coverage: The scope of protection provided under a contract of insurance; any of several risks covered by a policy.

Credit Insurance: A guarantee to manufacturers, wholesalers and service organizations that they will be paid for goods shipped or services rendered. Applies to that part of working capital which is represented by accounts receivable.

Crop-Hail Insurance: Protection against damage to growing crops as a result of hail or certain other named perils.

Deductible: An amount which a policyholder agrees to pay, per claim or per accident, toward the total amount of an insured loss. Insurance is written on this basis at reduced rates.

Dividend: (1) An amount returned to a policyholder by an insurance company out of its earnings. (2) In capital stock companies, a share of profits distributed to stockholders.

Earned Premium: The portion of a premium which is the property of an insurance company, based on the expired portion of the policy period.

Earthquake: A trembling or shaking of the earth, often resulting in severe damage.

Economic Loss: The estimated total cost, both insured and uninsured, of mishaps (such as motor vehicle accidents, work accidents and fires). Includes such factors as property damage; medical, hospital and legal costs; funeral expenses; wage loss, and insurance administrative costs.

Embezzlement: Fraudulent use or taking of another's property or money which has been entrusted to one's care.

Extended Coverage Insurance: Protection for the insured against property damage caused by windstorm, hail, smoke, explosion, riot, riot attending a strike, civil commotion, vehicle and aircraft. This is provided in conjunction with the fire insurance policy and the various "package" policies.

FAIR Plan: A facility, operating under a government-insurance industry cooperative program, to make fire insurance and other forms of property insurance readily available to persons who have difficulty obtaining such coverage.

Farmowners-Ranchowners Policy: A package policy for a farm or a ranch, providing property and liability coverages against both personal and business losses.

Federal Crime Insurance: Insurance against burglary, larceny and robbery losses offered by the federal government where the Federal Insurance Administration has determined that an insurance availability problem exists.

Fidelity Bond: A form of protection which reimburses an employer for losses caused by dishonest or fraudulent acts of employees.

Financial Responsibility Law: A state law under which a person involved in an automobile accident may be required to furnish security up to certain minimum dollar limits.

Fire Insurance: Coverage for losses caused by fire and lightning, plus resultant damage caused by smoke and water.

Flood Insurance: Coverage against loss resulting from the flood peril.

General Liability Insurance: Coverage that pertains, for the most part, to claims arising out of the insured's liability for injuries or damage caused by ownership of property, manufacturing operations, contracting operations, sale or distribution of products, and the operation of elevators and the like, as well as professional services.

Glass Insurance: Protection for loss of or damage to glass and its appurtenances.

Group Insurance: Any insurance plan under which a number of persons and their dependents are insured under a single policy, issued to their employer or to an association with which they are affiliated.

Guaranty Fund: A fund, derived from assessments against solvent insurance companies, to absorb losses of claimants against insolvent companies.

Health Insurance: Insurance against financial losses resulting from sickness or accidental bodily injury.

Homeowners Policy: A package type of insurance providing home owners with a broad range of property and liability coverages.

Hurricane: A tropical storm with a wind velocity of 75 or more miles an hour.

Inland Marine Insurance: A broad form of insurance, generally covering articles that may be transported from one place to another as well as bridges, tunnels and other instrumentalities of transportation and communication. It includes goods in transit (generally excepting trans-ocean) as well as numerous "floater" policies such as those covering personal effects, personal property, jewelry, furs, fine arts and others.

Insurance Company: An organization chartered to operate as an insurer.

Insured: Person or organization covered by an insurance policy, including the "named insured" and any other parties for whom protection is provided under the policy terms.

Investment Income: The portion of a company's income which is derived from its investments, including interest and dividends on stock and bonds.

Larceny-Theft: The unlawful taking, carrying, leading or riding away of another person's property.

Liability: Any legally enforceable obligation.

Liability Limits: The stipulated sum or sums beyond which an insurance company is not liable to protect the insured.

Loss: The basis on which an insurance claim is submitted and/or paid.

Malpractice Insurance: Coverage for a professional practitioner, such as a doctor or a lawyer, against liability claims resulting from alleged malpractice in the performance of the insured's services.

Marine Insurance: A form of insurance primarily concerned with instruments of transportation and communication, and with goods in transit. See also Inland Marine Insurance and Ocean Marine Insurance.

Medical Payments Insurance: A coverage, available in various liability insurance policies, in which the insurer agrees to reimburse the insured and others, without regard for the insured's liability, for medical or funeral expenses incurred as the result of bodily injury or death by accident under specified conditions.

Net Underwriting Profit or Loss: Statutory underwriting profit less (or loss plus) dividends to policyholders.

No-fault Automobile Insurance: A form of insurance by which a person's financial losses resulting from an automobile accident, such as medical and hospital expenses and loss of income, are paid by his or her own insurer regardless of who was at fault.

Ocean Marine Insurance: Coverage for sea-going vessels, including liabilities connected with them, and their cargoes.

Package Policy: A single insurance policy that includes several coverages.

Peril: The cause of a loss insured against in a policy.

Personal Lines: Those types of insurance, such as auto or home insurance, for individuals or families rather than for businesses or organizations.

Policy: A contract of insurance.

Policyholder: A person who pays a premium to an insurance company in exchange for the insurance protection provided by a policy of insurance.

Policyholder's Surplus: Sum left after liabilities are deducted from assets. Sums such as paid-in capital and special voluntary reserves are also included in this term. This surplus is an additional financial protection to policyholders in the event a company suffers unexpected or catastrophic losses. In effect, it is the financial base that permits a company to sell insurance.

Pool: An organization of insurers or reinsurers through which particular types of risk are underwritten with premiums, losses and expenses shared in agreed-upon amounts.

Premium: The sum paid for an insurance policy. *Net premiums written* represent premium income retained by insurance companies, direct or through reinsurance, less payments made for business reinsured. *Direct written premiums* are the amounts actually paid by policyholders.

Premium Tax: A tax, imposed by each state, on gross income of insurers doing business in a state.

Product Liability Insurance: Protection against financial loss arising out of the legal liability incurred by a manufacturer, merchant or distributor because of injury or damage resulting from the use of a covered product.

Rate: The pricing factor upon which the insurance buyer's premium is based.

Regulation: Supervision of business practices by a governmental entity.

Reinsurance: Assumption by one insurance company of all or part of a risk undertaken by another insurance company.

Reserve: (1) An amount representing actual or potential liabilities kept by an insurer to cover obligations to policyholders. (2) An amount allocated for a special purpose. Note that a reserve is usually a liability and not an extra fund. On occasion a reserve may be an asset, such as a reserve for taxes not yet due.

Risk: The chance of loss. Also used to refer to the insured or to property covered by a policy.

Robbery: The taking of property from a person by force or by threat of violence.

State Fund: A fund set up by a state government to provide insurance. Some statutes permit, others exclude, competition by private insurers.

Statutory Underwriting Profit or Loss: Premiums earned less losses and expenses.

Surety Bond: An agreement providing for monetary compensation in the event of a failure to perform specified acts within a stated period. The surety company, for example, becomes responsible for fulfillment of a contract if the contractor defaults.

Surplus Lines: (1) A risk or a part of a risk for which there is no normal insurance market available. (2) Insurance written by non-admitted insurance companies.

Tornado: A whirling wind, accompanied by a funnel-shaped cloud, very violent and destructive in a narrow path, often for many miles over the land.

Tort: A wrongful act, resulting in injury or damage, on which a civil action may be based. Does not apply to a breach of contract.

Umbrella Liability: Covers losses in excess of amounts covered by other liability insurance policies; also protects the insured in many situations not covered by the usual liability policies.

Underwriting: The process of selecting risks for insurance and determining in what amounts and on what terms the insurance company will accept the risk.

Underwriting Profit or Loss: The amount of money which an insurance company gains or loses as a result of its underwriting operations. A net gain or loss on underwriting operations represents a company's statutory underwriting profit less (or loss plus) any amount it may pay to its policyholders in the form of dividends.

Unearned Premium: The portion of a premium that a company has collected but has yet to earn because the policy still has unexpired time to run.

Uninsured Motorist Protection: A form of insurance which covers the policyholder and family members if injured by a hit-and-run motorist or a driver who carries no liability insurance, assuming the other driver is at fault.

Workers' Compensation Insurance: A method of providing for the cost of medical care and weekly payments to injured employees or to dependents of those killed in industry, regardless of blame.

INSURANCE, SERVICE ORGANIZATIONS

The following are among the national organizations of or supported by insurance companies, or whose activities are closely related to insurance. National and state organizations which subscribe to the services of the Insurance Information Institute are identified by an asterisk(*).

Alliance of American Insurers, Paul S. Wise, president, 1501 Woodfield Rd., Suite 400 West, Schaumburg, Ill. 60195. Tel. 312-490-8500. Trade association to facilitate cooperation among fire and casualty insurance companies in matters of concern to them and their policyholders.

All-Industry Research Advisory Council, Donald W. Segraves, executive director, 1200 Harger Rd., Suite 222, Oakbrook, Ill. 60521. Tel. 312-920-1177. Provides the public and the insurance industry with timely research information relevant to public policy issues affecting risk and insurance.

American Association of Insurance Services, Melvin H. DeYoung, president, 1035 S. York Rd., Bensenville, Ill. 60106. Tel. 312-595-3225. Rating, statistical and advisory organization for personal and commercial lines of insurance with membership composed principally of small and medium size companies.

American Council of Life Insurance, Richard S. Schweiker, president, 1850 K St., N.W., Washington, D.C. 20006. Tel. 202-862-4000. Trade association responsible for the public relations, government, legislative and research aspects of the life insurance business.

American Institute of Marine Underwriters, 14 Wall St., New York, N.Y. 10005. Tel. 212-233-0550. Provides information of interest to marine underwriters, and promotes the interest of those underwriters.

American Institute for Property and Liability Underwriters, Inc., Edwin S. Overman, Ph.D., CPCU, president, Providence and Sugartown Rds., Malvern, Pa. 19355. Tel. 215-644-2100. Establishes educational standards for professional property and liability insurance underwriting; fosters training.

American Insurance Association, T. Lawrence Jones, president, 85 John St., New York, N.Y. 10038. Tel. 212-669-0400. Trade and service organization of the property and casualty insurance industry; provides a forum for the discussion of problems; provides safety, promotional and legislative services.

***American Nuclear Insurers,** Burt C. Proom, president, The Exchange, Suite 245, 270 Farmington Ave., Farmington, Conn. 06032. Tel. 203-677-7305. A nonprofit unincorporated association through which liability and property insurance protection is provided against hazards arising out of nuclear reactor installations and their operations.

American Prepaid Legal Services Institute, Alec M. Schwartz, executive director, 1155 E. 60th St., Chicago, Ill. 60637. Tel. 312-947-3661. National membership organization to provide information and technical assistance to lawyers, insurance companies, administrators, marketers and consumers regarding group and prepaid legal service plans.

***Association of Fire and Casualty Companies in Texas,** Dion Riley, AFACT executive manager, c/o Transport Insurance Co., 4100 Harry Hines Blvd., Dallas, Texas 75219. Tel. 214-526-3876. Represents domestic Texas property and liability insurance companies in seeking to broaden consumer knowledge of insurance and in supporting legislation to improve the insurance business.

***Automobile Insurance Plans Service Office,** Richard J. Decker, president, 733 Third Ave., New York, N.Y. 10017. Tel. 212-867-0500. Develops and files rates and provides other services for automobile insurance plans nationwide.

Casualty Actuarial Society, Frederick W. Kilbourne, president, One Penn Plaza, New York, N.Y. 10119. Tel. 212-560-1018(9). Promotes actuarial and statistical science in all insurance fields except life.

College of Insurance, Dr. Leslie Leonard, president, 123 William St., New York, N.Y. 10038. Tel. 212-962-4111. Insurance industry-supported college providing a complete curriculum leading to bachelor's and master's degrees in business administration and a bachelor of science degree in actuarial science.

Conference of Insurance Legislators, Charles Davis, executive director, P.O. Box 217, Brookfield, Wis. 53005. Tel. 414-782-6669. Organization of chairmen of state legislative committees concerned with insurance-related matters.

Crop-Hail Insurance Actuarial Association. Lloyd W. Lindstrom, manager, 209 W. Jackson Blvd., Chicago, Ill. 60606. Tel. 312-922-7722. Rating and research organization and statistical agent for crop-hail insurance and rain insurance on public events, business ventures, and private proceedings.

Crop Insurance Research Bureau, Larry L. Forrester, general manager, 3707 Woodview Trace, Box 68700, Indianapolis, Ind. 46268. Tel. 317-875-5250. Crop insurance trade organization administering the public relations, research and government relations programs of its member companies.

Defense Research Institute, Inc., Louis L. Potter, executive director, 733 N. Van Buren, Suite 650, Milwaukee, Wis. 53202. Tel. 414-272-5995. Service organization to improve the administration of justice and improve the skills of defense lawyers.

Federal Insurance Administration, Jeffrey S. Bragg, Federal Insurance Administrator, 500 C St., S.W., Washington, D.C. 20472. Tel. 202-287-0750. Administers the federal flood insurance, urban property insurance and crime insurance programs.

***Fire Prevention and Engineering Bureau of Texas,** J.E. Vaughn, manager, 1320 Mercantile Securities Building, Dallas, Tex. 75201. Tel. 214-747-0681. Performs risk inspections, prepares underwriting reports, inspects fire defenses of Texas cities for members and subscribers.

Foreign Credit Insurance Association, Robert A. Keenan, president, One World Trade Center, 9th Floor, New York, N.Y. 10048. Tel. 212-432-6200. Offers credit insurance facilities for U.S. exporters through cooperation of the insurance business and the Export-Import Bank of Washington.

Health Insurance Association of America, David Robins, vice president, administration and research, 919 Third Ave., New York, N.Y. 10022-9990. Tel. 212-486-5520. Central source of health insurance information for the public on behalf of insurance companies; monitors public attitudes and reactions to health insurance developments.

Health Insurance Association of America, Public Relations Division, Kenneth W. White, vice president, 1850 K St., N.W., Washington, D.C. 20006. Tel. 202-862-4000.

Highway Loss Data Institute, Dr. William Haddon Jr., president, Watergate Six Hundred, Suite 300, Washington, D.C. 20037. Tel. 202-333-6200. Nonprofit organization to gather, process and provide the public with insurance data concerned with human and economic losses resulting from highway accidents.

Independent Insurance Agents of America, Inc., Jeffrey M. Yates, executive vice president, 100 Church St., New York, N.Y. 10007. Tel. 212-285-4250. Trade association of independent insurance agents.

***Inland Marine Underwriters Association,** 14 Wall St., New York, N.Y. 10005. Tel. 212-233-7958. Forum for discussion of problems of common concern to inland marine insurers; makes recommendations dealing with forms and legislation.

Institute for Civil Justice, Gustave H. Shubert, director, 1700 Main St., Santa Monica, Cal. 90406. Tel. 213-393-0411. Organization formed within the Rand Corporation to perform independent, objective research and analysis concerning the civil justice system.

Insurance Accounting and Statistical Association, Walter R. Mason, secretary-treasurer, P.O. Box 8857, Durham, N.C. 27707. Tel. 919-683-2356. An international organization to promote the study, research and development of modern techniques in insurance accounting and statistics.

***Insurance Arbitration Forums,** Bernard L. Hines, Jr., executive director, Talleyrand I, 200 White Plains Rd., Tarrytown, N.Y. 10591-0066. Tel. 914-332-4770. Industry-supported non-profit organization to arbitrate inter-company disputes.

Insurance Committee for Arson Control, Joyce C. (Doss) Sauerteig, executive secretary, 85 John St., New York, N.Y. 10038. Tel. 212-669-0522. All-industry coalition; serves as a catalyst for the insurance industry's overall anti-arson efforts and a liaison with government agencies and other groups devoted to arson control.

Insurance Crime Prevention Institute, Wendall C. Harness, director, 15 Franklin St., Westport, Conn. 06880. Tel. 203-226-6347. Serves property and casualty insurers in the investigation of fraudulent insurance claims, other than accident, health and workers' compensation.

Insurance Information Institute, Mechlin D. Moore, president, 110 William St., New York, N.Y. 10038. Tel. 212-669-9200. An educational, fact-finding and communications organization for all lines of insurance except life and health insurance. It is supported by more than 250 insurance companies and provides services on a subscribership basis to many major industry organizations.

Insurance Institute for Highway Safety, Dr. William Haddon, Jr., president, Watergate Six Hundred, Suite 300, Washington, D.C. 20037. Tel. 202-333-0770. Traffic safety organization supported by automobile insurers.

Insurance Institute for Research, John W. Folk, president, One North Broadway, White Plains, N.Y. 10601. Tel. 914-682-0800. An industry-sponsored institute serving as the focal point for improving electronic communications capabilities in the insurance agency system.

Insurance Institute of America, Inc., Edwin S. Overman, Ph.D., CPCU, president, Providence and Sugartown Rds., Malvern, Pa. 19355. Tel. 215-644-2100. Provides educational opportunities in property and liability insurance and related fields; provides standards for measurement of achievement; conducts research.

Insurance Library Association of Boston, Maurice H. Saval, president, 156 State St., Boston, Mass. 02109. Tel. 617-227-2087. A nonprofit, independent membership library serving the research and education interests of all branches of the insurance industry.

*Insurance Services Office, Daniel J. McNamara, president, 160 Water St., New York, N.Y. 10038. Tel. 212-487-5000. Provides a wide range of advisory, rating, actuarial, statistical and other services relating to property and casualty insurance, including the development of policy forms, rates, premiums and related services for multiple line coverages. Offers services, including research studies, to insurers or other persons or organizations.

*Kansas Association of Property and Casualty Insurance Companies, L.M. Cornish, secetary-treasurer, 900 Merchants Tower, 8th and Jackson Streets, Topeka, Kan. 66612. Tel. 913-232-0545. Organization repreSenting 17 domestic insurance companies in Kansas.

Kansas Insurance Education Foundation, Archie R. Dykes, chairman of the board of trustees, 900 Merchants Tower, Topeka, Kan. 66612. Tel. 913-232-0545. Non-profit corporation devoted to promotion and encouragement of insurance education in Kansas: Develops teaching aids, supports insurance education at the university level and prepares and distributes consumer information.

*Metropolitan Chicago Loss Bureau, Don Mershon, manager, 343 S. Dearborn, Suite 1400, Chicago, Ill. 60604. Tel. 312-322-2500. Assists insurance companies with property claims adjustment and arson and fraud claims investigation.

National Association of Casualty and Surety Agents, Bruce T. Wallace, executive vice president, 5454 Wisconsin Ave., Suite 1625, Chevy Chase, Md. 20815. Tel. 301-986-4166. A trade organization dedicated to safeguarding the public interest, preserving a competitive market, and working with others for the good of the insurance business and the public.

National Association of Casualty and Surety Executives, Lawrence M. Zippin, executive secretary, 85 John St., New York, N.Y. 10038. Tel. 212-669-0400. Organization to provide insurance companies and agents with a forum for discussion of industry problems relating to the public's interest.

National Association of Health Underwriters, John K. Pardee, CAE, RHU, executive vice president, 145 North Ave., Hartland, Wis. 53029. Tel. 414-367-3248. Professional association of persons engaged in the sale and service of disability income and hospitalization and major medical health insurance.

National Association of Independent Insurers, Lowell R. Beck, president, 2600 River Rd., Des Plaines, Ill. 60018. Tel. 312-297-7800. Trade association of fire, casualty and surety insurers.

National Association of Insurance Brokers, Inc., Donald L. Jordan, executive director, 311 First St., N.W., Suite 700, Washington, D.C. 20001. Tel. 202-783-8880. Trade association of commercial insurance brokers.

National Association of Insurance Commissioners, E. Benjamin Nelson, executive vice president, 1125 Grand Ave., Kansas City, Mo. 64106. Tel. 816-842-3600. Organization of state insurance commissioners to promote uniformity in state supervision of insurance matters, and to recommend legislation in the various state legislatures.

National Association of Insurance Women, Mary Lynn Claiborne, executive director, 1847 E. 15th St., P.O. Box 4410, Tulsa, Okla. 74104. Tel. 918-744-5195. Fosters educational programs for members. Promotes public safety and service programs.

National Association of Mutual Insurance Companies, Harold H. Walters, president, 3707 Woodview Trace, P.O. Box 68700, Indianapolis, Ind. 46268. Tel. 317-875-5250. Trade association of property and casualty mutual insurance companies.

National Association of Professional Surplus Lines Offices, Ltd., J. Dale Bohm, executive director, P.O. Box 1507, Roswell, Ga. 30077. Tel. 404-998-9075. Professional association of wholesale brokers, excess and surplus lines companies, affiliates and supporting members.

National Association of Surety Bond Producers, Bruce T. Wallace, executive vice president, 5454 Wisconsin Ave., Suite 1625, Chevy Chase, Md. 20815. Tel. 301-986-4166. Trade association of surety bond producers.

National Automobile Theft Bureau, Paul W. Gilliland, president, 10330 S. Roberts Rd. 3A, Palos Hills, Ill. 60465. Tel. 312-430-2430. Conducts stolen vehicle recovery and auto theft prevention activities on behalf of the insurance industry.

National Committee on Insurance Guaranty Funds, Phillip Schwartz, executive secretary, 85 John St., New York, N.Y. 10038. Tel. 212-669-0400. Advisory organization to the state guaranty fund boards; gathers and disseminates information regarding insurer insolvencies.

*National Committee on Property Insurance, Eugene L. Lecomte, president, 10 Winthrop Sq., Boston, Mass. 02110. Tel. 617-423-2620. Provides advice and assistance to insurers writing property coverages in distressed or residual insurance markets.

*National Council on Compensation Insurance, Kevin M. Ryan, president, One Penn Plaza, New York, N.Y. 10119. Tel. 212-560-1000. Develops and administers rating plans and systems for workers' compensation insurance.

***National Crop Insurance Association,** George A. Bender, executive vice president/general manager, 2860 S. Circle Dr., South Building, Suite 322, Colorado Springs, Colo. 80906. Tel. 303-576-5111. National trade association of insurance companies writing hail, fire and other weather perils to growing crops.

National Fire Protection Association, Robert W. Grant, president, Batterymarch Park, Quincy, Mass. 02269. Tel. 617-328-9290. Independent, nonprofit source of technical and educational information on fire protection, prevention and suppression; develops and publishes consensus fire safety standards; sponsors national Learn Not to Burn campaign.

National Safety Council, T. C. Gilchrest, executive vice president and acting president, 444 N. Michigan Ave., Chicago, Ill. 60611. Tel. 312-527-4800. Provides national support and leadership in the field of safety; publishes safety materials of all kinds; conducts a public information and publicity program in support of safety.

Overseas Private Investment Corporation, Craig A. Nalen, president, 1129 20th St., N.W., Washington, D.C. 20527. Tel. 202-653-2920. Self-sustaining U.S. Government agency providing political risk insurance and finance services for U.S. investment in developing countries.

***Pennsylvania FAIR Plan,** Wallace H. Boudwin, general manager, Mall Building, Suite 600, 325 Chestnut St., Philadelphia, Pa. 19106. Tel. 215-629-8800. Provides insurance for property owners in Pennsylvania having difficulty getting property coverages through traditional channels.

Pollution Liability Insurance Association, Dudley Morrison, manager, One East Wacker Dr., Suite 3720, Chicago, Ill. 60601. Tel. 312-467-4090. Organization to promote the availability of pollution and hazardous waste insurance coverages for businesses.

Professional Insurance Agents, 400 N. Washington St., Alexandria, Va. 22314. Tel. 703-836-9340. Trade association of independent insurance agents.

Property-Casualty Insurance Council, Robert B. Wilcox, president, One 1st National Plaza, Suite 2730, Chicago, Ill. 60603. Tel. 312-236-7124. Organization of property and casualty insurance associations and companies to provide a forum for discussion of major issues and to facilitate coordination and cooperation in dealing with those issues, and to develop and recommend programs in research and in consumer and legislative information.

Property Insurance Loss Register, Gerald F. Murphy, vice president, 700 New Brunswick Ave., Rahway, N.J. 07065. Tel. 201-388-0157. A voluntary, non-profit organization administered by the American Insurance Association; maintains a computerized registry of property loss claims which can be used by its subscribers to fight insurance fraud, and provides data for non-actuarial/statistical research.

***Property Insurance Plans Service Office,** Eugene L. Lecomte, president, 10 Winthrop Sq., Boston, Mass. 02110. Tel. 617-423-2620. Provides technical and administrative services to the various state property insurance plans.

Reinsurance Association of America, Franklin W. Nutter, president, 1025 Connecticut Ave., N.W., Suite 512, Washington, D.C. 20036. Tel. 202-293-3335. Trade association of property and casualty reinsurers; provides legislative services for members.

Risk and Insurance Management Society, Inc., Ron E. Judd, executive director, 205 E. 42nd St., New York, N.Y. 10017. Tel. 212-286-9292. Organization of corporate buyers of insurance which makes known to insurers the insurance needs of business and industry, and which supports loss prevention and provides a forum for the discussion of common objectives and problems.

Society of Certified Insurance Counselors, William T. Hold, Ph.D., CIC, CPCU, CLU, president, 3630-C North Hills Dr., Austin, Tex. 78731. Tel. 512-345-7932. National education program in property, liability and life insurance, with a continuing education requirement upon designation.

***Society of Chartered Property and Casualty Underwriters,** James W. Hamilton, CPCU, executive vice president, Kahler Hall, Providence Rd., (CB No. 9), Malvern, Pa. 19355. Tel. 215-648-0440. Professional society to foster the higher education of those engaged in insurance and risk management; encourages and conducts research.

Society of Insurance Research, J. Wesley Ooms, president, Box 933, Appleton, Wisc. 54912. Stimulates insurance research and fosters exchanges among society members on research methodology.

***Surety Association of America,** Lloyd Provost, president, 100 Wood Ave. S. (Metro-Park), Iselin, N.J. 08830. Tel. 201-494-7600. Statistical, rating, development and advisory organization and forum for surety companies.

***Texas Automobile Insurance Plan,** Bobby White, manager, 404 Brown Building, Austin, Tex. 78701. Tel. 512-477-5322. Provides market for drivers unable to obtain liability insurance through commercial channels.

***Texas Automobile Insurance Service Office,** Sherrell Kidd, manager, Suite 130, One La Costa, 1016 La Posada Dr., Austin, Tex. 78752. Tel. 512-458-6347. Insurers' organization licensed to advise the State Insurance Board on auto forms, rates, rating procedures, classifications and coverages.

*Texas Catastrophe Property Insurance Association, James A. Douglass, manager, P.O. Box 2930, Austin, Tex. 78769. Tel. 512-444-9611. Established by state legislature to provide back-up source for windstorm insurance in high risk area (14 coastal counties).

*Texas Insurance Advisory Association, Tom B. Lee, general manager, P.O. Box 15, Austin, Tex. 78782. Tel. 512-444-9611. Insurers' organization to advise the State Insurance Board on property forms, rates, rating procedures and coverages.

*Texas Medical Liability Insurance Underwriting Association, James A. Johnston, CPCU, general manager, 200 One La Costa, 1016 La Posada Dr., Austin, Tex. 78752. Tel. 512-452-4370. Established by legislature to provide source for medical malpractice insurance.

*Texas Workers' Compensation Assigned Risk Pool, James A. Johnston, CPCU, general manager, 200 One La Costa, 1016 La Posada Dr., Austin, Tex. 78752. Tel. 512-458-9181. Provides workers' compensation insurance when unavailable through commercial channels.

Underwriters' Laboratories, Inc., Jack Bono, president, 333 Pfingsten Rd., Northbrook, Ill. 60062. Tel. 312-272-8800. Investigates and tests electrical materials and other products to determine that fire prevention and protection standards are being met.

Underwriters Salvage Company. Christopher Knowles, chairman of the board, 1400 Busse Rd., Elk Grove Village, Ill. 60007. Tel. 312-437-8181. Assists insurers in adjustment of losses through the reclamation, reconditioning and disposition of damaged goods.

*Washington Insurance Council, Louis A. Mackie, president, 1218 Third Ave., Seattle, Wash. 98101. 206-624-3927. Provides education and information services to the public and to insurance companies, producer organizations and other professional insurance groups.

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